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April 27, 2007

Ms. Dominique Blom
Deputy Assistant Secretary for Public Housing Investments
U.S. Department of Housing and Urban Development
451 7th Street S.W., Room 4130
Washington, DC 20410

Dear Ms. Blom:

Enclosed is the Delaware State Housing Authority's Moving To Work Annual Plan for FY08, which has been adopted by General Order No. 487.

If you have any questions please feel free to contact me at (302) 739-7419 or via email at chrisw@destatehousing.com.

Sincerely,

CHRISTOPHER A. WHALEY
Housing Management Program Administrator

dld

Enclosure

cc: Marianne Nazzaro, U.S. Department of Housing and Urban Development
William Santiago, U.S. Department of Housing and Urban Development

MOVING TO WORK

FY2008

ANNUAL PLAN

DELAWARE STATE HOUSING AUTHORITY

MOVING TO WORK FY2008 ANNUAL PLAN

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1.0 INTRODUCTION

This document serves as the Delaware State Housing Authority's (DSHA) *Moving To Work* (MTW) Annual Plan for FY2008, which begins July 1, 2007 and ends June 30, 2008. The U.S. Department of Housing and Urban Development (HUD) recently approved an extension of DSHA's MTW Demonstration Agreement until June 30, 2009. If permanent status is not forthcoming, then a five-year transition plan to honor the five-year contracts of our most recent MTW Program admissions will be prepared and submitted in accordance with the timeline established by HUD.

1.1 OVERVIEW AND GOALS OF MTW PROGRAM

The purpose of the MTW Program continues to be to reduce costs and achieve greater cost effectiveness; to give incentives to families to obtain employment and become economically self sufficient; and to increase housing choices for low-income families. **Due to the cycle of the waiting list and preferences, DSHA now plans to serve up to 550 families in the program. During the last 18 to 24 months, there has been an increase in the number of MTW exempt families, elderly and disabled, especially in the Housing Choice Voucher Program.**

The goals and objectives under the DSHA MTW Program are outlined as follows:

1. To reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
 - a. Merge the Certificate & Voucher Programs into the Voucher Program and administer under one set of regulations.
 - b. Combine the waiting lists for PH and Housing Choice Voucher Program with preferences consistent between the two programs.
 - c. Increase the residents' share of the total tenant payment to 35% of adjusted gross income.
 - d. Time-limit housing assistance.
 - e. During the actual time a family is housed, it may not apply for an alternative form of subsidy.
 - f. At the end of the time period, residents of PH with monthly-adjusted incomes at or above the Safety Net threshold will be given the opportunity to rent their unit at market rent, which will free up the subsidy and allow an additional voucher to be issued.
 - g. Enhance the quality of life and standard of living for residents participating in MTW by assisting residents in the removal to barriers to self-sufficiency (obtain drivers license, purchase vehicle, coordinate child care)

- h. Increase earned income of participating families enabling them to pay more towards their rent and requiring less subsidy, especially in cases where the family may not meet full self-sufficiency goals (re: Safety Net Families)
- 2. To give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
 - a. Amend waiting list preferences to include working families.
 - b. To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant.
 - c. All MTW participants continuously participate in case management and are offered services and/or resource referrals including job training and placement services, computer experience, educational opportunities and transportation stipends, as funds allow.
- 3. To improve housing options for our residents by offering or coordinating the following resources:
 - a. Homeownership counseling and assistance.
 - b. Budget counseling.
 - c. Fair Market Housing counseling.
 - d. Assistance obtaining a Low Income Housing Tax Credit Unit.
 - e. MTW Savings Account as income increases.
 - f. Counseling to repair credit problems.
 - g. Financial Literacy Education.
 - h. Individual Development Account referral for approved participants.
 - i. Resident Homeownership Program.

1.2 STATUS OF MTW PROGRAM AND ACCOMPLISHMENTS TO DATE

The accomplishments and status are cumulative from the date that the MTW Program started.

- 1. Holly Square added to the PH stock.
- 2. Certificate and Voucher Programs were combined into one Housing Choice Voucher Program.
- 3. Rents were increased to 35% of adjusted income for all MTW participants.

4. PH and Housing Choice Voucher Program waiting lists were combined.
5. Working and welfare reform preferences added.
6. Case management services were established and contracts signed with two nonprofit counseling agencies for all Housing Choice Voucher Program MTW participants. All PH residents are assigned DSHA case managers at the time they enter the Program.
7. Report established to identify and monitor needs of the MTW participants.
8. Agencies have been identified and contacts established to provide services for unmet needs.
9. All funds are block granted.
10. MTW participants continue to be evaluated as they enter the program, and DSHA constantly networks with potential service providers and organizations to bring needed services to the participants and/or refer participants to services.
11. An Individual Development Account (IDA) Program has been implemented and completed in September 2006 to help qualified MTW participants develop assets. So far, 36 families completed their goals with 28 buying homes, five opening a business and three pursuing educational goals. The IDA program is now available from several outside organizations.
12. The Resident Homeownership Program (RHP) began accepting applications in FY-2004. There are six families now enrolled in the program.
13. Although DSHA's contract with NCALL has ended, we continue to provide referrals for, credit repair, budget counseling, fair market housing counseling and RHP homeownership counseling for PH MTW participants. The contract was completed in 2006 and services are available through local non-profit organizations.
14. DSHA completed an automated MTW case management system which tracks all statistical information for both PH and Housing Choice Voucher Program MTW participants. This system also includes an automated list that ensures timely compliance with quarterly reviews and completion of annual Resident Action Plans (RAP).
15. DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements will be increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.)

16. DSHA has awarded 120 educational scholarships from the MTW budget.
17. DSHA purchased an Adult Basic Education/GED computer program for each of its PH sites to assist residents working toward educational goals.
18. Since MTW implementation in August 1999, 489 families have successfully completed the MTW Program. One hundred and fifty-seven (157) have purchased homes and 261 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. Though some of those families would undoubtedly have been successful without MTW, we feel that the majority became successful by taking advantage of the counseling and social services made available through the program as well as the savings they accumulated while in the program. (See Tables 1 & 2)
19. The time limit safety-net feature was implemented in FY2005. Families who have **not** been able to increase their incomes to the level where 40% of their monthly adjusted income equals or exceeds the lower of their Housing Choice Voucher Program gross rent or Voucher payment standard, or the fair market rent for their PH unit, are being transferred to safety-net status. Their total tenant payment reverts to 30% and they forfeit the money in their MTW savings account. It is expected that about **85%** of DSHA's MTW families will be eligible for the safety-net. The condition for the family to retain the rental subsidy is that they must maintain employment of at least 20 hours per week, be involved in a full-time educational program or a combination of both which equals at least 20 hours.

Families whose monthly-adjusted incomes are at or above the safety-net threshold are having their subsidy terminated. PH families can either move or stay in their unit, sign a private-market lease and pay the market rent. Housing Choice Voucher Program families will begin paying the full market rent to their current landlord. All families who have remained in compliance with MTW requirements will be given the money in their savings accounts at this time.

20. Funds from the Housing Choice Voucher Program Reserves were used to provide security fencing at two of the PH sites. After discussions with local police, it was determined that fencing along the side and rear perimeters of the sites would be the most effective and efficient way to assist city police to control and deter crime at those two sites and include cameras at Clarks Corner.

Table 1**Moving to Work Savings****Numbers as of March 1, 2007**

Program	Current Participants	Total MTW Savings Accounts	Average MTW Savings Balance	Average Monthly Contribution
Public Housing	254	191	\$1921.73	\$162.00
Housing Choice Vouchers	163	140	\$2348.01	\$194.00
Total	417	331	\$2134.87	\$178.00

Table 2**Moving to Work Successful Move-outs****Numbers from 8/1/99 through 2/28/07**

Program	Homeownership	Unsubsidized Rental
Public Housing	82	87
Housing Choice Vouchers	75	174
Total	157	261

1.3 OBJECTIVES/ACTIVITIES PLANNED FOR THE CURRENT YEAR

The ninth-year Plan will concentrate on the following items:

1. DSHA continues to work with the Department of Labor and the Delaware Economic Development Office to share information on new industry and business coming to Delaware, job trends and current job information. As needed, meetings will be scheduled for all parties as well as MTW participants.
2. DSHA continues to work with a local tenant advocacy group and efforts are maintained to assist individual communities with forming Resident Councils. Funding to offer appropriate stipends to Resident Council Officers and for approved site activities has been included in the FY2008 PH budget.
3. DSHA will continue to require all MTW participants to complete financial literacy training. This 8 - 10 hour training is provided in conjunction with the annual completion of the RAP.
4. DSHA is working to continue providing services that were formerly funded under the Public Housing Drug Elimination Program (PHDEP). Funds from the Capital Fund Program will be used to provide limited security services and will also be used to install surveillance cameras at one PH property during FY2008. DSHA continues to advocate for a change in legislation to return the PHDEP to HUD's budget.

5. DSHA is working to continue providing services that were previously funded from the MTW Technical Assistance Grant. Computer education and scholarships were funded from this source. DSHA continues to work to identify potential sources for funding scholarships and computer education.

1.4 PROGRAMS COVERED IN THE MTW DEMONSTRATION AND INCLUDED IN THIS PLAN

The DSHA MTW Demonstration includes the following programs:

1. Low Rent Public Housing
2. Housing Choice Vouchers
3. Capital Fund Program
4. Resident Homeownership Program

2.0 NUMBER AND CHARACTERISTICS OF HOUSEHOLDS SERVED (Both Public Housing and Housing Choice Voucher Program)

As of March 1, 2007, there were a total of 1,301 households being served by the Public Housing and Housing Choice Voucher Programs. This is an increase of 53 families, or 4.2 percent, since MTW was implemented in August of 1999. The income levels and racial and ethnic composition of the resident population have remained relatively constant and unchanged. The only notable exception is in the racial composition of Housing Choice Voucher families, due in part to a large turnover of vouchers during FY2007. Please refer to Tables 3 through 6b to see data for occupied units. Units in the Public Housing Homeownership Program are not included since those residents do not participate in the MTW Program.

TABLE 3**Number of households being served as of March 1, 2007**

Public Housing						
	Total Households	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
Family	327	6	153	124	39	5
Elderly/ Disabled	170	95	47	22	4	2
Total	497	101	200	146	43	7
Housing Choice Voucher Program						
	Total Households	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
Family	224	7	76	114	25	2
Elderly/ Disabled	582	201	217	149	14	1
Total	806	208	293	263	39	3
TOTAL	1,303	309	493	409	82	10

TABLE 4**Published area median income levels effective 3/19/2007**

Family Size	30% Median	50% Median	80% Median
One	12,300	20,550	32,850
Two	14,100	23,500	37,550
Three	15,850	26,400	42,250
Four	17,600	29,350	46,950
Five	19,000	31,700	50,700
Six	20,400	34,050	54,450

TABLE 5

Income of households being served as of March 27, 2007

Public Housing					
	Total Households	Less than 30% AMI*	30-50% AMI	50-80% AMI	Greater than 80% AMI
Number of Households	500	345	110	41	4
Percent	100%	69%	22%	8%	<1%
Change in Percent Since August 1999		- 2%	- 4%	+ 5%	None
Housing Choice Voucher Program					
	Total Households	Less than 30% AMI*	30-50% AMI	50-80% AMI	Greater than 80% AMI
Number of Households	806	607	178	16	5
Percent	100%	75%	22%	2%	<1%
Change in Percent Since August 1999		- 1%	- 3%	- 1%	None

* Area Median Income

DSHA has not adopted any new policies that would have an effect on racial distribution. Since MTW implementation, no significant changes have occurred in the racial and ethnic compositions of the resident population of either Housing Choice Voucher Program or Public Housing, and none are anticipated. See Tables 6a and 6b.

TABLE 6a

Race of households being served as of March 1, 2007

Public Housing						
	Total Households	White	Black	Alaskan/ Native American	Asian	Pacific Islander
Number	497	118	373	3	3	0
Percent		23.7%	75.1%	.6%	.6%	0%
Change in Percent Since August 1999		+1.8%	-2.6%	+ .2%	+ .6%	0%
Housing Choice Voucher Program						
	Total Households	White	Black	Alaskan/ Native American	Asian	Pacific Islander
Number	806	297	504	4	1	0
Percent	100%	36.9%	62.5%	.5%	.1%	0
Change in Percent Since August 1999		+ 8.6%	- 8.6%	0%	0%	0%

Table 6b

Ethnicity of households being served as of March 1, 2007

Public Housing			
	Total Households	Hispanic	Non-Hispanic
Number	497	15	482
Percent	100%	3%	97%
Change in Percent Since August 1999		-1%	+1%
Housing Choice Voucher Program			
	Total Households	Hispanic	Non-Hispanic
Number	806	34	770
Percent	100%	4%	96%
Change in Percent Since August 1999		+ 2%	- 2%

The waiting list is a combined list for Housing Choice Voucher Program Vouchers and Public Housing. MTW applicants are provided the type of housing that is available when their name comes to the top of the list. The waiting list has been open since 1991, and DSHA anticipates that it will remain open. There is little change in the number of applicants since last year (see Table 7). Prior to the commencement of MTW, the wait for housing ranged from about 8 months for some bedroom sizes in Public Housing, to about 22 months for a Housing Choice Voucher. Currently, the wait for those with an MTW preference and the elderly/disabled is approximately twelve months for Public Housing and 24 months for the Housing Choice Voucher Program.

TABLE 7

Number of Households on the Waiting List by Program and Bedroom Size on 3/5/2007

Combined Public Housing and Housing Choice Voucher							
	Total Households		March 2007				
	FEB 2006	MAR 2007	1 BR	2 BR	3 BR	4 BR	5 + BR
Family	1,657	1,731	295	790	469	153	24
Elderly/Disabled	1,183	1,160	798	227	109	20	6
Total	2,840	2,891	1,093	1,017	578	173	30

3.0 OCCUPANCY POLICIES

3.1 STATEMENT OF ELIGIBILITY/ADMISSIONS POLICIES

1. DSHA has implemented the following changes to its leasing policies:
 - a. Combined PH & Housing Choice Voucher Program waiting lists into one list with the exception of Holly Square, an elderly site, which remains a site-based waiting list.
 - b. Applicants who are employed are given a preference for available assistance, and equal preference is given to elderly and disabled applicants.
 - c. Families are offered the first available PH unit or Housing Choice Voucher when their name comes to the top of the waiting list. Elderly and disabled applicants are able to select the type of housing program they desire.
 - d. All families who are eligible for MTW are required to sign a Contract of Mutual Participation (COMP) before they receive subsidy. A Resident Action Plan (RAP) must be completed and signed within one month after joining the MTW program.
 - e. Applicants can apply for housing on-line via DSHA's E-Housing internet website. This is in addition to the traditional forms of applying for housing (in person, via facsimile or through the mail).

3.2 DECONCENTRATION POLICY/PH & HOUSING CHOICE VOUCHER PROGRAM

DSHA is fortunate in that in its jurisdictional area poverty levels are relatively low in all census tracts. All applicants are counseled when they receive their Voucher on the portability features of the Voucher Program. However, the portability feature is only available to the elderly and disabled and not to those participating in the MTW Program.

A survey of public housing family incomes was completed in February 2007 in compliance with CFR 24.903. The average family income of each public housing family development was compared with the average family income of all DSHA's public housing family developments. The results are provided on the chart below.

The survey showed that only one of DSHA's family developments is below the Established Income Range (EIR). This range is defined by HUD as a range from 85% of the average income for all DSHA's family developments to the higher of either 115% of the average income for all developments or the extremely-low income limit threshold established by HUD.

Based on the survey and CFR 24.903, the deconcentration requirements do not apply to DSHA's developments since they fall below the local extremely-low income thresholds. Income has increased during the past year at five of the seven family sites (see chart). This can be attributed to an increase in the number of MTW participants completing their 5-year MTW contracts and moving from the site to private housing or electing to remain at their site and paying market rent. This would remove higher Average Gross Incomes for these families from the overall calculations, thus reducing Average Gross Income for the individual sites. There are 30 families that have chosen to remain at the site and pay market rent. They are spread over six of the seven family sites.

Property Name	Family Average Gross Income			Percent Increase/Decrease Over 2006
	Aug 1999	Feb 2006	Feb 2007	
McLane Gardens	\$9,723	\$12,240	10,931	-10.7%
Liberty Court	\$7,824	\$8,823	9,069	+2.8%
Mifflin Meadows	\$10,785	\$11,678	14,989	+28.3%
Lavery Lane	\$7,881	\$11,412	12,839	+12.5%
Clarks Corner	\$9,007	\$10,706	10,563	-1.3%
Burton Village	\$10,636	\$14,147	15,548	+9.9%
Hickory Tree	\$10,343	\$14,352	16,823	+17.2%
All Sites (weighted average)	Unavailable	\$11,476	12,378	+7.9%

Established Income Range per HUD regulations:

Kent County \$10,521 through \$15,850 *

Sussex County \$10,521 through \$14,900 *

*Extremely-low income level for 3 person family (3/19/2007 Income Limits)

3.3 RENT POLICY

1. Under MTW, DSHA made the following changes to the rent structure during the first year and subsequent changes in the third year. These changes only apply to families participating in the MTW Program. The changes are as follows:
 - a. The total tenant payment (TTP) is now based on 35% of the family's adjusted gross income.
 - b. If a family enters MTW and their TTP is below \$120, a rent cap will be established and will be set at the higher of \$120 or their utility allowance and will increase only if the utility allowance increases. When income increases in the future to a point where TTP is higher than the rent cap, the difference between the rent cap and 35% of monthly adjusted income will be placed in a savings account by DSHA for the family. The family will still be required to pay the full amount of their tenant rent.
 - c. If a family enters the MTW program and their TTP exceeds the higher of \$120 or their utility allowance, the family's rent cap will be set at that amount, not to exceed \$350, and will not increase. When the family's income increases thereafter, the difference between the established rent cap and TTP will be placed in a savings account by DSHA for the participant. The family will still be required to pay the full amount of their tenant rent.
 - d. Children born ten months after the COMP is signed do not receive a \$480 deduction.
 - e. DSHA has established Fair Market Rents for each of its PH developments by bedroom size that reflect the market value of the units. No one will be required to pay more than Market Rent for their unit. New appraisals on all developments were completed in the fall of 2001 and again in November 2004. As a result, the Fair Market Rents were increased by \$25 to \$75 on March 1, 2005.
 - f. If a PH family's 35% of monthly adjusted income exceeds the established market rent for their unit prior to the completion of their five-year COMP, they will have three options:
 1. Remain in the MTW Program for the remainder of their five-year COMP, stay in the Public Housing unit and pay into their savings account the difference between their rent cap and the market rent for their unit.
 2. Remain in the unit, sign a market-rate lease and begin to pay the market rent. The family will no longer be considered a Public Housing tenant.
 3. Terminate their Public Housing lease and move out.

4.0 CHANGES IN THE HOUSING STOCK

4.1 NUMBER OF UNITS IN INVENTORY AT BEGINNING OF PERIOD

The total number of PH and Housing Choice Voucher units expected to be in the MTW program at the beginning of FY-2008 is 1,408. This number does not include our 15 scattered-site and five (5) homeownership units in our PH Program, as they are not participating in MTW.

4.2 PROJECTED NUMBER AT THE END OF THE YEAR

We do not expect the total number of units to increase since it seems unlikely at this time that funding for incremental Vouchers will be included in the federal budget. See Table 8.

TABLE 8

Changes in Housing Stock

Program	August 1999	End of FY-2006	End of FY-2007 (Planned)
Public Housing	503	503	503
Housing Choice Voucher Program	803	949 *	905
Section 8 New Construction	209	65**	65**
Total	1,515	1,517	1,473

* Includes: 905 MTW baseline vouchers

** No longer includes Capitol Green Apartments (144 units), which is now managed by a private management company and does not utilize DSHA waiting lists.

5.0 SOURCES AND USES OF FUNDS

The combined budget for the MTW program for FY08: \$10,247,810

Table 1
Sources and Uses of Funds

CATEGORY	FY06 ACTUALS	FY07 BUDGET	FY08 BUDGET
Revenue			
Dwelling Rent	\$619,662	\$556,070	\$544,340
Investment Income	85,417	54,990	38,370
Other Income	751,123	542,540	673,330
Operating Subsidy	1,998,448	2,082,070	2,005,880
Capital Funds	1,188,844	956,200	747,590
Section 8 Subsidies	5,715,261	5,838,698	5,679,230
Total Revenue	<u>\$10,358,755</u>	<u>\$10,030,568</u>	<u>\$9,688,740</u>
Expenses			
Administration	\$1,031,568	\$1,262,550	\$1,954,990
Tenant Services	473,020	450,900	450,900
Utilities	422,922	500,620	444,270
Maintenance	1,781,409	1,402,770	1,268,530
Protective Services	8,800	40,000	20,000
General	521,634	571,890	640,640
Resident Homeownership	0	25,000	25,000
Total Routine	<u>\$4,239,353</u>	<u>\$4,253,730</u>	<u>\$4,804,330</u>
Non-Capitalized Expense	98,149	82,720	220,770
Capital Outlays	1,989,560	1,013,480	432,060
Payments to Landlords	4,812,868	4,970,380	4,790,650
Total Expenses	<u>\$11,139,930</u>	<u>\$10,320,310</u>	<u>\$10,247,810</u>
Excess/(Deficit)	<u>(\$781,175)</u>	<u>(\$289,742)</u>	<u>(\$559,070)</u>

5.0 CONTINUED DETAILED SOURCES AND USES OF FUNDS BY REVENUE

The combined budget for the MTW program for FY2008: \$10,247,810

Table 1
Sources and Uses of Funds

CATEGORY		FY06 ACTUALS		FY07 BUDGET		FY08 BUDGET
Revenue						
Dwelling Rent - Public Housing		\$619,662		\$556,070		\$544,340
Investment Income						
Public Housing	\$76,943		\$50,900		\$31,620	
S8 Vouchers	8,474	85,417	4,090	54,990	6,750	38,370
Total Revenue						
Other Income						
Public Housing	\$277,714		\$142,160		\$258,430	
Section 8 Voucher	138,409		65,380		79,900	
Com. Svc. Block Grant	335,000	751,123	335,000	542,540	335,000	673,330
Operating Subsidy - Public Hsg.		1,998,448		2,082,070		2,005,880
PH Capital Fund		1,188,844		956,200		747,590
Section 8 Subsidies						
S8 Hsg. Choices Voucher		5,715,261		5,838,698		5,679,230
Total Revenue		\$10,358,755		\$10,030,568		\$9,688,740

5.0 Consolidated Budget for the MTW PROGRAM FOR FY08: \$10,247,810

Table 7
Sources and Uses of Funds

CATEGORY	PUBLIC HOUSING	HSG CHOICE VOUCHERS	PUBLIC HSG CAPITAL FUND	COMM SERVICE BLOCK GRANT	TOTAL MTW
Revenue					
Dwelling Rent	\$544,340	\$0	\$0	\$0	\$544,340
Investment Income	31,620	6,750			38,370
Other Income	258,430	79,900		335,000	673,330
Operating Subsidy	2,005,880				2,005,880
PH Capital Fund			747,590		747,590
Section 8 Subsidies		5,679,230			5,679,230
Total Revenue	<u>\$2,840,270</u>	<u>\$5,765,880</u>	<u>\$747,590</u>	<u>\$335,000</u>	<u>\$9,688,740</u>
Expenses					
Administration	\$1,045,870	\$834,360	\$74,760	\$0	\$1,954,990
Tenant Services	15,000	100,900		335,000	450,900
Utilities	444,270				444,270
Maintenance	1,268,530				1,268,530
Protective Services			20,000		20,000
General	640,640				640,640
Resident Homeownership		25,000			25,000
Total Routine	<u>\$3,414,310</u>	<u>\$960,260</u>	<u>\$94,760</u>	<u>\$335,000</u>	<u>\$4,804,330</u>
Non-Capitalized Expense	\$0	\$0	\$220,770	\$0	\$220,770
Capital Outlays		\$0	432,060		432,060
Payments to Landlords		4,790,650			4,790,650
Total Expenses	<u>\$3,414,310</u>	<u>\$5,750,910</u>	<u>\$747,590</u>	<u>\$335,000</u>	<u>\$10,247,810</u>
Excess/(Deficit)	<u>(\$574,040)</u>	<u>\$14,970</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$559,070)</u>

5.0 CONTINUED DETAILED SOURCES AND USES OF FUNDS BY EXPENDITURE

The combined budget for the MTW program for FY08: \$10,247,810

Table 1
Sources and Uses of Funds
CATEGORY

		FY06 ACTUALS		FY07 BUDGET		FY08 BUDGET
Expenses						
Administration						
Public Housing	\$746,940		\$709,600		\$1,045,870	
S8 Hsg. Choices Vouchers	219,876		482,950		834,360	
PH Capital Fund	64,752	\$1,031,568	70,000	\$1,262,550	74,760	\$1,954,990
Tenant Services						
Public Housing	\$7,814		\$15,000		\$15,000	
S8 Hsg. Choices Vouchers	130,206		100,000		100,900	
PH Capital Fund	0		0		0	
Com. Svc. Block Grant	335,000	473,020	335,000	450,900	335,000	450,900
Utilities - Public Housing		422,922		500,620		444,270
Maintenance						
Public Housing		1,781,409		1,402,770		1,268,530
Protective Services						
Public Housing			\$0		\$0	
PH Capital Fund	8,800	8,800	40,000	40,000	20,000	20,000
General - Public Housing		521,634		571,890		640,640
Resident Home Ownership		0		25,000		25,000
Total Routine		\$4,239,353		\$4,253,730		\$4,804,330
Non-Capitalized Expense						
PH Capital Fund		98,149		82,720		220,770
Capital Outlays						
Public Housing	\$0		\$0		\$0	
PH Capital Fund	1,017,143		763,480		432,060	
S8 Hsg. Choices Voucher	972,417	1,989,560	250,000	1,013,480	0	432,060
Payments to Landlords						
S8 Hsg. Choices Voucher		4,812,868		4,970,380		4,790,650
Total Expenses		\$11,139,930		\$10,320,310		\$10,247,810
Excess/(Deficit)		(\$781,175)		(\$289,742)		(\$559,070)

FY08 - BUDGET NARRATIVE

REVENUES

The Agency's MTW budget revenues consist of Dwelling Rent, Investment Income, Other Income, Operating Subsidies, Capital Funds and Housing Choice Voucher Subsidies. These funding streams, each with their own funding methodologies, are described below.

- o **Dwelling Rent.** The estimated dwelling rental income was determined by an analysis of November 2006 through January 2007 rent roll (dwelling rent less utility allowances and MTW escrow savings), FY06 actuals and FY07 year-to-date (YTD) income. The 87.57 PUM for dwelling rent is a decrease compared with the FY06 actuals of 99.69. Rising utility allowances create an inverse effect on rental income. Secondly, rental income is also reduced when new families to the MTW Program begin saving.
- o **Investment Income.** After examining the Appropriations and Money Market balances for Public Housing from January 2006 thru December 2006, interest earned in FY06 and FY07 YTD, an estimated FY08 investment income (EII) was established based on a reduced operating reserve balance and utilizing current interest rates.

Housing Choice Voucher investment income was based on an estimated increased operating reserve balance utilizing current interest rates.

- o **Other Income.** Daycare centers in the Community Buildings of Lavery Lane and Hickory Tree generate monthly income in the amount of \$624 and \$518 respectively as well as the community building at Holly Square generating \$1,250 a month in income. Public Housing laundry machines are supplied by a vendor and the Authority receives 50% of the revenue generated. DSHA also receives a small percentage of telephone receipts. Also included in other income is maintenance charges, court fees, late fees received from residents and MTW savings forfeitures. Savings forfeitures for the period July 2006 through December 2006 were \$53,914.

Housing Choice Voucher Program receives other income from fraud recovery payments and forfeitures of MTW Escrow savings. Savings forfeitures for the period July 2006 through December 2006 were \$41,055. The forecast for other income was derived from FY07 YTD annualized receipts.

Community Services Block Grant provides funding in support of five case managers through two Nonprofit Agencies: First State Community Action Agency and People's Place. These case managers will work with DSHA's Housing Choice Voucher holders. The funds are provided to the State Division of Community Services as a pass through from the U.S. Department of Health and Human Services. The estimated yearly value of the State Match is \$335,000 and is reflected as other income.

- o **Operating Subsidies.** The agency receives an operating subsidy for its Public Housing units that is calculated in two parts: utility and non-utility. The amount of non-utility subsidy is determined by the per unit non-utility subsidy that the agency received in the prior year. This figure is then adjusted annually for inflation. The agency receives a

subsidy equal to the utility consumption, on a three year rolling base, that was in place for the MTW base year (FY99) and is then adjusted by current utility rates. The budgeted subsidy amount used for FY08 is DSHA's CY07 subsidy request of \$2,419,641 reduced to a proration of 82.9% resulting in the \$2,005,880 budgeted.

- o **Modernization/Capital Fund.** Typically, an agency receives a proportionate share of the national appropriation for modernization based on its "formula factor", a figure that considers the agency's needs relative to the nation as a whole. Under MTW, this formula factor is, for all practical purposes, frozen during the five years of the demonstration period, regardless of any changes in the agency's Public Housing stock. But, Capital Funding has been lowered in each of the past consecutive four years.

In accordance with new guidelines under GAAP, the income reported as budgeted to be received from the Public Housing Capital Fund is the expense amount that the agency actually anticipates incurring in all prior-year funds, not necessarily the amount that the agency anticipates being awarded in new funds in FY08, which often takes up to three years to expend. Please see Capital Fund "Awarded Budget" as shown in Attachment B of this Plan.

- o **Housing Choice Voucher.** The amount of funding that the agency received in prior years was a function of the average monthly subsidy paid for each Housing Choice Voucher Existing and/or Voucher unit in the year before MTW. This figure was then adjusted annually from MTW year two forward, for inflation and multiplied by the number of Housing Choice Vouchers (under MTW, all contracts are called vouchers) units per original ACC contracts (902 units), and again by 12 months, to determine the annual Housing Choice Voucher Block Grant. However, starting in January 2005, Housing Choice Voucher funding is being awarded by calendar year. The approved CY07 funding of \$6,418,994 at 88.476% proration was used to estimate the Grant for FY08.

While the amount of funding is calculated separately, the agency can use the above funds flexibly. To this end and pursuant to Article 1.B of DSHA's MTW Agreement, all of the MTW funds will be deposited in State of Delaware accounts, which is consistent with both the preservation of principal, the maximizing of return, and DSHA's standard practice for the administration of all other HUD funds.

EXPENDITURES

MTW program expenses for FY08 consists of Administration Expense, Tenant Services, Utilities, Maintenance, Protective Service, General Expense, Resident Home Ownership Program, Non-Capitalize Expense, Capital Outlays and Payments to Landlords. Expenses are calculated after reviewing prior years expense levels plus an inflation factor and adding any new contractual obligations. A broad overview by Program is listed below.

- o **Administration Expense.** Public Housing, Housing Choice Voucher and Capital Funds Program include salaries, legal, staff training/travel, auditing fees, supplies, postage and indirect costs where appropriate.

- o **Tenant Services.** Public Housing expenses include education and recreational activities for children, Internet access at all sites, and \$4,170 to fund organized tenant councils. Expenses formerly paid by the Resident Services Assistance Grant including scholarship opportunities for residents have been moved to this line.

The Housing Choice Voucher Program covers financial awareness counseling for program participants through contracts with two non-profit agencies NCALL and People's Place.

Community Services Block Grant covers the expense of five case managers who work with Housing Choice Voucher holders.

- o **Utilities.** Attached HUD-52722B forms provide details of actual utility consumption. Additional funds were budgeted in this line based upon upcoming rate hikes for electric usage in the state of Delaware.
- o **Maintenance.** Maintenance salaries of site personnel, building materials, supplies, and contractual costs including trash pickup, grass cutting, exterminating and routine painting of empty units at all sites are combined in this category.
- o **Protective Service.** State Police and Local Policing authorities provide after hours protection to targeted Public Housing sites as a deterrent to criminal activity. Due to the elimination of the Drug Elimination Grant and Budgetary constraints within the Public Housing Program, these costs will be covered in FY08 by the Capital Funds Program (\$20,000). In FY08, installation of Security Cameras at Liberty Court funded by the Capital Fund Program are planned.
- o **General Expense.** Grouped in this area are payments in lieu of taxes to counties and school districts, insurance coverage costs, benefit contributions for administrative and maintenance employees and any loss on collections.
- o **Resident Home Ownership Program.** This program was established to assist MTW Participants with mortgage down payment and settlement costs. Funds from the Housing Choice Voucher reserves will be issued as deferred loans to Participants. This program's first expenditures are expected to be recognized in FY07.
- o **Non-Capitalized Expense.** Represents expenses incurred by the Capital Fund Program for cyclical painting, building maintenance/repairs, appliance installation/repair, community equipment, maintenance equipment, and grounds maintenance at all Public Housing sites which are under the capitalization threshold of \$25,000.
- o **Capital Outlays.** The Capital Fund Program expends funds for general equipment, air conditioning/heating upgrades, land improvements and building/ground improvements at Public Housing sites. In FY08, door replacements are planned at several sites.
- o **Payments to Landlords.** The Housing Choice Voucher payments to landlords budget is based on the current number of units leased by bedroom size converted by weighted average to full lease up multiplied by current expense levels for each unit size.

EXCESS/(DEFICIT)

Public Housing. A decrease in operating reserves in the amount of \$574,040 is expected for FY08 and could be smaller or greater once pro-ratio figures are established.

Housing Choice Vouchers. An increase in reserves of \$14,970 is expected for FY08 depending on the funding and proration levels for CY08.

PROJECT BASED ACCOUNTING

The Delaware State Housing Authority contracted with PHA Finance of 1000 Germantown Pike, Suite H-1, Plymouth Meeting, PA to review if the Authority would meet Project Based Accounting (PBA) criteria in FY08. In a letter dated August 3, 2006, the Authority was found to have met the criteria for PBA including account structures for each property based budget and the Central Office Cost Center (COCC). The reports will be completed on a monthly basis and will be kept in-house for review.

OPERATING RESERVES

The decrease in Operating Reserves for Public Housing and Housing Choice Vouchers shown in FY06 actuals are supported by documentation submitted with the FY06 Annual Report dated August 31, 2006.

The decrease to Operating Reserves for Public Housing and the increase to Operating Reserves for Housing Choice Vouchers shown in FY07 (estimated) were derived by projecting FY07 actuals through December 31, 2006.

The \$574,040 decrease in Public Housing Operating Reserves for FY08 is supported by the attached documentation including the Consolidated Budget for the FY08 MTW Program, the Sources and Uses of Funds, the Detailed Sources and Uses of Funds by Revenue and the Detailed Sources and Uses of Funds by Expenditure.

Under the Public Housing Assessment System (PHAS), a PHA receives an A for "cash reserves" if such reserves exceed 15 percent of total routine operating expenses. Based on DSHA FY99 (DSHA's MTW Base Year) scoring under this systems' ratings, the Agency would maintain its "A" scoring throughout the life of the MTW demonstration. **Under MTW, however, there is no longer any specific threshold for reserves and the Authority will not report on financial components under PHAS or any future scoring system during the MTW demonstration period and any subsequent extensions.**

Operating Reserves for the Housing Choice Voucher Program are shown to increase by \$14,970 in FY08 to bring the estimated operating reserves balance to \$581,032.

Operating Reserves

Operating Reserves	FY06 (Actuals)			FY07 (Estimated)			FY08 (Projected)		
	Beginning of Year	Increase/ Decrease	End of Year	Beginning of Year	Increase/ Decrease	End of Year	Beginning of Year	Increase/ Decrease	End of Year
Public Housing	\$1,423,031	(\$507,952)	\$915,079	\$915,079	(\$341,034)	\$574,045	\$574,045	(\$574,040)	\$5
Housing Choice Vouchers	\$277,532	(\$273,223)	\$4,309	\$4,309	\$561,748	\$566,057	\$566,057	\$14,970	\$581,027
Total MTW	\$1,700,563	(\$781,175)	\$919,388	\$919,388	\$220,714	\$1,140,102	\$1,140,102	(\$559,070)	\$581,032

6.0 CAPITAL PLANS

6.1 STATEMENT OF EXISTING NEEDS

The total amount of DSHA existing capital needs is approximately \$3,645,315 which is \$7,485.25 per unit. These funds will be used over a five-year period to modernize and update our developments, some of which are 30 years old.

DSHA has received on average \$845,086 annually for the past five years. The FY2006 Capital Fund Program was funded at \$747,586.

6.2 PLANNED CAPITAL EXPENDITURES

The five-year capital plan for DSHA is broken down by fiscal year. The plan reflects Capital Fund Program funds equal to the amount we will receive for FY2006, which is \$747,586. The appropriate planning process and public hearings were held to get input from our residents and the public.

Table 9 that follows shows our five-year capital plan, including the planned use of the most recent funding.*

TABLE 9

Five Year Capital Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
Physical Improvements	\$609,828	\$609,828	\$609,828	\$609,828	\$609,828
Administration	\$74,758	\$74,758	\$74,758	\$74,758	\$74,758
Management Improvements	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
Fees & Costs	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
TOTAL	\$747,586	\$747,586	\$747,586	\$747,586	\$747,586

*Attached as Appendix B are HUD form Annual Statement, Supporting Pages, Implementation Schedule, Summary and Work Activities.

TABLE 10

Capital Expenditures Planned for FY07

Capital Project (list by Name)	Total Planned Expenditure in Current Year (specify year)	
Clarks Corner	\$ 0	2007
McLane Gardens	\$ 214,990	2007
Peach Circle	\$ 18,080	2007
Mifflin Meadows	\$ 97,250	2007
Burton Village	\$ 105,008	2007
McLane Gardens Annex	\$ 2,000	2007
Laverty Lane	\$ 52,500	2007
Hickory Tree	\$ 15,000	2007
Scattered Sites – Phase I	\$ 0	2007
Liberty Court I	\$ 59,000	2007
Liberty Court II	\$ 41,000	2007
Holly Square	\$ 0	2007
Scattered Sites – Phase II	\$ 5,000	2007
Total	\$ 609,828	

Five Year Capital Expenditures Plan

TABLE 11

		2007	2008	2009	2010	2011
CLARK'S CORNER	COST					
Maintenance Building	70,000					
Playground Equipment	40,000					
Dumpster Enclosures	50,000					
Bicycle Path	10,000		10,000			
Repave Parking Lot/Drive	60,000					60,000
Total	230,000	0	10,000	0	0	60,000

MCLANE GARDENS	COST					
Playground	55,175					
Reinforce Stairways	10,000		10,000			
Windows/Doors	206,800	206,800				
Security Cameras	70,000				70,000	
Vinyl Siding	15,000		15,000			
VCT Flooring	15,000	5,000		5,000		5,000
Recessed Porch Lights	3,190	3,190				
Roof Replacement/Gutters/Fas.	140,000		140,000			
Total	515,165	214,990	165,000	5,000	70,000	5,000

PEACH CIRCLE	COST					
Appliances	1,200	600	600			
Comm. Bldg Rehab	5,000	5,000				
Roof/Gutters/Fascia/Soffits	157,793				157,793	
Lighting Upgrades	15,000			15,000		
Repave Parking Lot/Drive	30,000					30,000
Recessed Porch Lights	3,520	3,520				
Replace Carpet	44,799	8,960	8,960	8,960	8,960	8,959
Total	257,312	18,080	9,560	23,960	166,753	38,959

MIFFLIN MEADOWS	COST					
Bus Stop Rehab	19,500				19,500	
Sidewalk Replacement	90,000					
Replace Siding	100,968			100,968		
North Playground Equip.	83,875				83,875	
Dumpster Enclosures	45,000				45,000	
Security Cameras	70,000			70,000		
Bicycle Path	10,000	10,000				
Front, Back, Storage Doors	85,250	85,250				
Repave Parking Lot/Drive	70,000				70,000	
South Playground Improvement	20,240				20,240	
Replace Heater Room Doors	14,000				14,000	
Garage Doors	2,000	2,000				
Basketball Court	47,960				47,960	
Total	658,793	97,250	0	170,968	300,575	0

BURTON VILLAGE	COST					
Screen Doors	12,500	12,500				
Replace Shutters	10,000	10,000				
Playground Equipment	60,000					
Security Cameras	70,000		70,000			

TABLE 11

Five Year Capital Expenditures Plan

Entrance Doors	70,008	70,008				
Soffits	15,000			15,000		
Smoke Detectors	12,500	12,500				
Border Fence	150,000					
Total	400,008	105,008	70,000	15,000	0	0

		2007	2008	2009	2010	2011
MCLANE ANNEX	COST					
Windows/Doors/Posts	120,000		120,000			
Landscaping	2,000	2,000				
Bath Rehab	28,200			28,200		
Gutters/Fascia/Soffits	25,000		25,000			
Vinyl Siding	44,000				44,000	
Total	219,200	2,000	145,000	28,200	44,000	0

Lavery Lane	COST					
Community Building HVAC Upgrades	20,000	20,000				
Security Cameras	70,000					70,000
Community Building Septic Repairs	25,000	25,000				
Reroofing	246,369					246,369
Windows Replacement	158,768		158,768			
Expand Parking Lot	20,000					20,000
Perimeter Fencing	125,000					
5 Handicap Showers	7,500	7,500				
Sidewalks/Porch Pads	15,000					15,000
TOTAL	687,637	52,500	158,768	0	0	351,369

Hickory Tree	COST					
Playground Equipment	10,000	5,000	5,000			
Subfloors/ VCT Replaced	50,000	10,000	10,000	10,000	10,000	10,000
TOTAL	60,000	15,000	15,000	10,000	10,000	10,000

Scattered Sites-2; 015	Cost					
Driveway Paving	20,000	5,000	5,000	5,000	5,000	

Liberty Court I	COST					
Playground Equipment	30,000					30,000
Comm. Bldg Hand. Entrances	18,000			18,000		
Bath Rehab	30,000	6,000	6,000	6,000	6,000	6,000
Catch Basin/Sidewalks	18,000	18,000				
Cabinets/Counter Tops	130,600			130,600		
Security Cameras	35,000	35,000				
Repave Parking Lot/Drive	30,000					30,000
TOTAL	291,600	59,000	6,000	154,600	6,000	66,000

Liberty Court II	COST					
Cabinets/Counter Tops	130,600			130,600		
Security Cameras	35,000	35,000				
Bath Rehab	30,000	6,000	6,000	65,000	6,000	6,000
Repave Parking Lot/Drive	30,000					30,000
TOTAL	225,600	41,000	6,000	195,600	6,000	36,000

TABLE 11

Five Year Capital Expenditures Plan

CLARK'S CORNER II	COST					
HOLLY SQUARE	COST					
Outdoor Lighting Upgrade	18,000		18,000			
Bathroom Floors	6,000		1,500	1,500	1,500	1,500
Air Conditioners	36,000					36,000
Sidewalks/Porch Pads	20,000		5,000	5,000	5,000	5,000
TOTAL	80,000	0	24,500	6,500	6,500	42,500
Police Protection		20,000	20,000	20,000	20,000	20,000
Administration		74,758	74,758	74,758	74,758	74,758
Management Improvements		8,000	8,000	8,000	8,000	8,000
Fees		35,000	35,000	35,000	35,000	35,000
	* \$3,645,315					
TOTAL		\$747,586	\$747,586	\$747,586	\$747,586	\$747,586
* Total excludes soft costs such as management, administration and fees.						

TABLE 12

Current Expenditures, All CFP Programs

Program	Year Awarded	Amount Awarded	Amount Expended as of End of Prior Year (specify date)	Amount Anticipated to be Expended in Current Year (specify year)	Balance Remaining as of End of Current Year (specify date)
CFP502	appr 2002	\$902,457	\$902,457 - 6/30/06	\$0 - 2007	\$0 - 6/30/07
CFP503	appr 2003	\$890,509	\$816,437 - 6/30/06	\$74,072 - 2007	\$0 - 6/30/07
CFP504	appr 2004	\$857,730	\$464,332 - 6/30/06	\$330,525 - 2007	\$62,873 - 6/30/07
CFP505	appr 2005	\$827,148	\$349,396 - 6/30/06	\$380,739 - 2007	\$97,013 - 6/30/07
*CFP506	appr 2006	\$747,586	\$0	\$184,176	\$563,410
Totals		\$4,225,430	\$2,532,622	\$969,512	\$723,296 - 6/30/07

* Estimate of amount to be awarded.

7.0 MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

This section of the Plan describes DSHA's current and anticipated performance in managing the Public Housing units.

7.1 OCCUPANCY

The public housing occupancy rate has been on average 98% over the past few years (see Tables 13 & 14). The high turnover rates experienced at some sites are the result of DSHA's strict enforcement of rent payment and anti-crime policies. The importance of timely rent payment is constantly stressed to residents by the housing managers as well as the MTW case managers. Though criminal background checks are performed prior to admission of all new residents 18 years of age and older, we still lose families because of drug-related criminal activity, many times involving their non-resident visitors.

7.2 INSPECTIONS

DSHA inspects all of its public housing units twice a year to insure that 100% of the units meet Housing Quality Standards. Each resident's file has documentation of these inspections. We expect to continue this level of performance for the upcoming year.

7.3 RENT COLLECTION

See Table 11. We project that for FY07 and FY08, rent collection will be 97% due to a decrease in fair market renters.

7.4 WORK ORDER RESPONSE TIMES

DSHA responds to 100% of emergency work orders within 24 hours and 100% of non-emergency work orders in less than 30 days.

<u>FY06 Actual</u>	
Emergency	Non-Emergency
2 hrs	4 days

TABLE 13

Public Housing Management Information

	FY04 Actual	FY05 Actual	FY06 Actual	FY07 7/1/06 – 1/31/07
Occupancy Percentage Overall	99%	98%	97%	98%
Average Turnover Time - Days	22	30	28	20
Rent Collections	96%	96%	93%	96%
Inspections - # of units	503	503	503	503

TABLE 14

Public Housing Vacancy and Occupancy - 7/1/04 - 1/31/07*

Development	# of Units	Units Vacated			Occupancy 1/31/07
		FY-04	FY-05	FY-06	
Burton Village	51	6	11	10	98%
Clarks Corner	70	16	11	12	99%
Hickory Tree	55	11	12	7	98%
Holly Square	24	5	1	3	100%
Laverty Lane	50	4	10	16	98%
Liberty Court	108	22	25	24	94%
McLane Gardens	29	1	5	4	100%
McLane Gardens Annex	21	2	4	8	95%
Mifflin Meadows	54	10	14	14	98%
Peach Circle	32	5	5	1	100%
Scattered-site rentals	9	4	1	0	100%
Total	503	86	99	99	

* Does not include transfers to other DSHA Public Housing units.

8.0 MANAGEMENT INFORMATION FOR LEASED HOUSING

8.1 LEASING INFORMATION

DSHA's utilization rate is currently at 87%, and that number is expected to increase to full utilize since over 95 vouchers are currently issued to families looking for units, and additional vouchers are in the process of being issued. During the 2nd fiscal quarter of FY2007, there was a significant turnover with voucher participants, resulting in a decrease in utilization and an increase in the issuing of new vouchers.

Lease-up figures for the past 12 months show that 72% of families on the waiting list successfully leased a unit within 120 days after receiving their new voucher. This is about 6% higher than the historical average. We are not optimistic that families will be any more successful in the near future since fair market rents proposed by HUD are not increasing at a rate to adequately keep up with market demand and supply.

Applicants are given in-depth information about DSHA's extension policy at voucher briefing sessions and reminders are mailed at the end of the 60-, 90- and 120-day periods. They are also given an extensive list of landlords willing to participate in the HVC Program. The extension approval policy is liberal and only requires voucher holders to show a list of landlords who have been contacted during the period. Extensions beyond the maximum 120-day search period are given to disabled families who are having difficulty finding a suitable unit. Apathy, poor rental history and increased market rents seem to be the major reasons for failure to lease a unit since almost a quarter of the vouchers expire after only 60 days.

Forty-two (42) new landlords joined the voucher program during calendar year 2006. Landlord recruiting information on DSHA's website, recurring advertisements for landlord outreach, word of mouth and a voucher payment standard at 110% of HUD's Fair Market Rents are all major contributors to the continued success of DSHA's voucher program. A list of available units is updated weekly and is made available to voucher participants through DSHA's website, Management and Waiting List Offices.

DSHA implemented a new on-line rent reasonableness system in March 2004, which helps ensure more objectively and accurately that Housing Choice Voucher units are rented at rates comparable to the local markets.

8.2 INSPECTIONS

DSHA performs initial, annual and special (complaint) Housing Quality Standards (HQS) Inspections. DSHA consistently meets the goal of inspecting all units within the required time frames. Units that fail re-inspection following the annual inspection have the HAP abated for the period they are out of compliance.

9.0 OTHER PROGRAMS

9.1 RESIDENT PROGRAMS

From July 1999 to the date of this Plan, DSHA has funded, partnered, obtained or coordinated annual and ongoing activities, events and programs to enhance the quality of life for our residents. One unit at two sites has been provided for activities due to space and scheduling conflicts in the community buildings at those sites.

1. Holiday Parties - Each community has appropriate holiday celebrations in which the residents take the lead on planning and organizing the event.
2. Computer access and instruction for youth and adults – DSHA provides computers with Internet access at all sites. The computer labs are monitored by volunteers from DSHA staff, outside agencies, GED instructors or other non-profit organizations. DSHA purchased an assortment of educational software and board games (funded by Lightspan/Discover) of its sites. The games and software target youth and adults.
3. Student Award Program for Honor Roll, Perfect Attendance and College Acceptance – Each year DSHA hosts a Student Award Luncheon to recognize students who make the extra effort to succeed. Winners receive a backpack filled with age-appropriate school supplies and are treated to lunch with DSHA's Director and Management staff. A guest speaker is invited to address the group. This event has been very successful and a positive motivation for the students and parents at our sites.
4. DSHA has signed MOUs with the Boys and Girls Club of Delaware to provide after-school programs, including pregnancy prevention, at one site. Youth from other sites have access to Boys and Girls Clubs located at facilities nearby. Funding is provided through grants from the Division of Public Health and the United Way.
5. DSHA has signed an MOU with the University of Delaware to provide 4-H programs at two sites. Services include after-school homework assistance and recreation. DSHA is working with 4-H staff to develop programs for other sites.
6. DSHA is continuing participation in a statewide group in providing an Individual Development Account (IDA) Program. MTW participants are eligible to participate in the program, which teaches financial literacy and enables asset acquisition. Qualified participants work with case managers toward specific goals, and upon successful completion, will earn a 2:1 match on IDA Savings.
7. DSHA has MOUs with two outside agencies to provide case management services to the MTW Voucher Participants.

7. (cont) Peoples Place II has experience and expertise with case managing homeless families and individuals with multiple issues to address. They case manage the MTW Housing Choice Voucher participants in Dover and Kent County. Funding is provided by the federal Community Service Block Grant (CSBG) and from DSHA's MTW budget.

First State Community Action Agency provides many community programs in rural Sussex County and is providing case management to the MTW Housing Choice Voucher families in Sussex County. They are funded through the CSBG, which is administered by the Department of Health and Social Services.

8. DSHA has awarded 120 Scholarships to MTW participants and expects to continue this service from MTW Budget funds.
9. DSHA signed a Memorandum Of Understanding with James Groves Adult High School to provide Adult Basic Education and GED classes for two communities.
10. Children and Families First - Provides pregnancy testing, family planning material, STD testing, treatment and counseling; and also organizes resources for grandparents and relatives raising someone else's children. They currently offer support groups at two sites and are planning to offer Family Enrichment programs at 2-3 additional sites in the fall.
11. Delmarva Rural Ministries - Provides counseling and treatment for drug and alcohol abuse. Also administers the Mobile Access to Community Health (MATCH) van health program that travels to low-income areas including all DSHA sites, upon request, throughout Kent and Sussex Counties. The MATCH van provides basic health care, screening and referrals as needed.
12. Even Start - Offers parenting classes to families with children under the age of eight. Activities involve both parent and child(ren) at two sites, with a third site being considered for the fall of 2007.
13. Child, Inc. - Provides one-on-one case management services upon request or referral and offers parenting classes.
14. Consumer Credit Counseling provides financial counseling and assists with budgeting and establishing credit.
15. Rental Assistance/Other financial assistance – Peoples Place II and First State Community Action Agency, Catholic Charities, Salvation Army, CASA San Francisco, State Service Centers and local churches.
16. First State Community Action Agency - Provides limited financial assistance, administers the Summer Food Service Program for Sussex County sites and offers employment training at a center in Georgetown.

17. Department of Labor - Provides all aspects of employment training, including assistance preparing resumes and applications and improving interviewing skills and workplace training. DSHA serves on the Workforce Investment Board for Delaware. This board administers the state's requirements and initiatives for employment and job training.
18. Delaware Technical and Community College, Kent County Poly-Tech, Sussex Tech, Delaware State University - All institutions have various courses available for general education as well as specific job training. They require a minimum number of participants to come to DSHA sites, but individuals can go to the schools for classes. Many courses are free of charge, based on income, or have a small fee.
19. DSHA has installed GED tutorial software at multiple sites. The program is used by instructors giving group instruction and by residents who study independently.
20. DSHA continues to be a co-sponsor with the Delaware State Police for the Summer Slam Basketball league. Youth participate free of charge. Although this program was funded through the PHDEP, DSHA now serves the program by providing space for meetings and serving on the Executive Committee.
21. In a partnership with DSHA's Clarks Corner Public Housing site, Lake Forest School District, University of Delaware Cooperative Extension, Greater Milford Area Boys and Girls Club and Kidz Kottage received a 21st Century Grant of \$335,000 to provide a variety of youth and family programs including educational and social activities. This is the fifth of 5 funded years. The 4-H Club is actively seeking grants to continue the program.
22. DSHA participates on the Interagency Council for Adult Literacy. This is a group from various agencies that are working to address literacy issues for Delaware. The group meets regularly and continues to develop and coordinate adult literacy programs for DSHA residents.

DSHA consistently evaluates both the individual families and communities to determine the services and programs that are needed. Additionally, all MTW families are reviewed and assessed quarterly for progress on their RAP. Each year at the recertification, the family prepares a RAP for the next year. These quarterly and annual reviews/contacts enable DSHA to make current, accurate plans and recommendations for appropriate services. The statistics from the MTW Program are reviewed and evaluated regularly to determine trends, progress, compliance with the Program and to make recommendations for possible changes to MTW.

9.2 HOMEOWNERSHIP PROGRAMS

MTW participants will be able to take advantage of several DSHA Homeownership Programs as they move out of a rental situation and into their first home. The programs include first mortgage financing and down payment assistance at below-market interest rates for both low- and moderate-income borrowers.

In addition, DSHA has been able to help the MTW participants with down payment and closing costs through the Second Mortgage Assistance Loan (SMAL) program. Saving for the down payment and closing costs is probably the biggest obstacle these families will face when looking for their first home. The SMAL program provides up to \$6,000 of assistance with principal and interest loan repayments deferred until the property is sold, transferred or no longer the borrower's primary residence. Borrowers under this program only need to provide \$1,000 of their own funds toward the home purchase. Although the SMAL program will retire in 2007, clients will continue to be served through the Delaware Housing Partnership instead.

DSHA implemented a Resident Homeownership Program two years ago. This program allows qualified participants from either the Public Housing or Housing Choice Voucher program to use a Housing Choice Voucher subsidy toward the mortgage for up to 15 years on a first home.

DSHA MTW participants, who have established a savings account under the program, have access to those funds for homeownership. Participants must provide verification of moving into non-subsidized housing in order to be eligible for these funds.

9.3 SECURITY

As the Public Housing Drug Elimination Program is no longer available, DSHA is consistently seeking resources to continue security services. Limited funds are available from the MTW Budget and reserves, and additional lighting and fencing have been installed at three DSHA sites. Security cameras have been installed at one site and there is an agreement with the local police to monitor the cameras. DSHA meets with all local law enforcement agencies to provide some security and to participate in site prevention activities. In addition, DSHA has a "One-Strike" Policy and, through reports received from the police, DSHA tracks arrests made on DSHA properties.

Through strong lease enforcement, DSHA is able to create a standard of pride and care that greatly inhibits drug and criminal activity.

DSHA plans to use funds from CFP to continue extra duty police security, even though funding for the PHDEG has been discontinued. DSHA's Housing Capacity Building Program continues to seek funding sources to assist with this expense.

10.0 SUMMARY OF HUD APPROVALS

10.1 STATUS OF PENDING APPROVALS

1. None.

10.2 NEW APPROVALS SOUGHT

1. None.

11.0 MAPS OF PUBLIC HOUSING AND HOUSING CHOICE VOUCHER LOCATIONS

Attachment A

General Order

PHA Certification of Compliance with MTW Plan Requirements

Attachment B

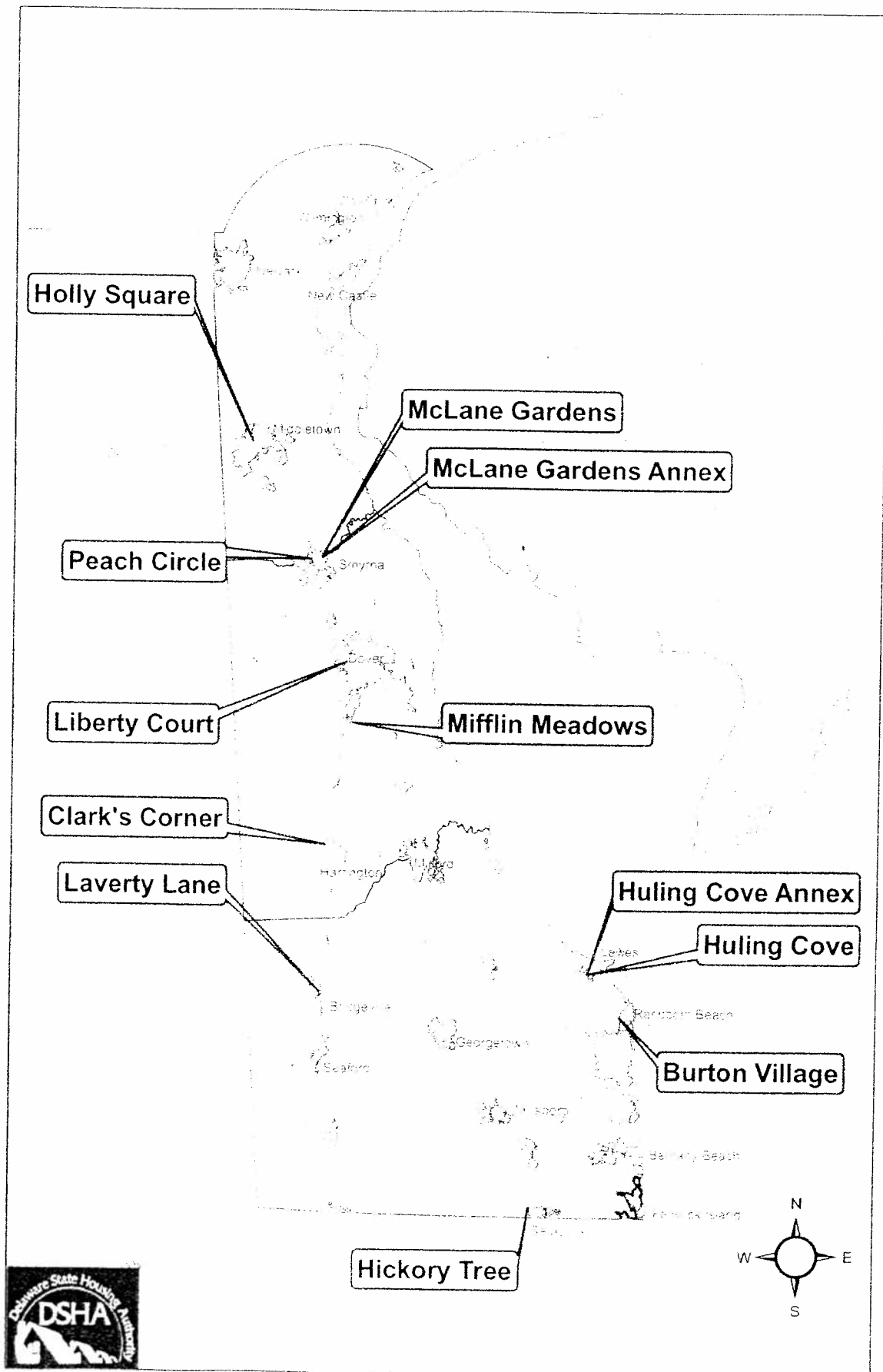
Capital Fund Program Forms

Attachment C

Public Housing Budget Forms

Attachment D

Summary of Public Comments Regarding the FY2008 MTW Annual Plan



Delaware State Housing Authority Housing Choice Vouchers

Y Location of DSHA Vouchers

□ Municipal Boundaries

— Highway

Created by the Delaware State Housing Authority
March 22, 2007

0 1 2 4 Miles
+++++

Smyrna

Dover

Kent

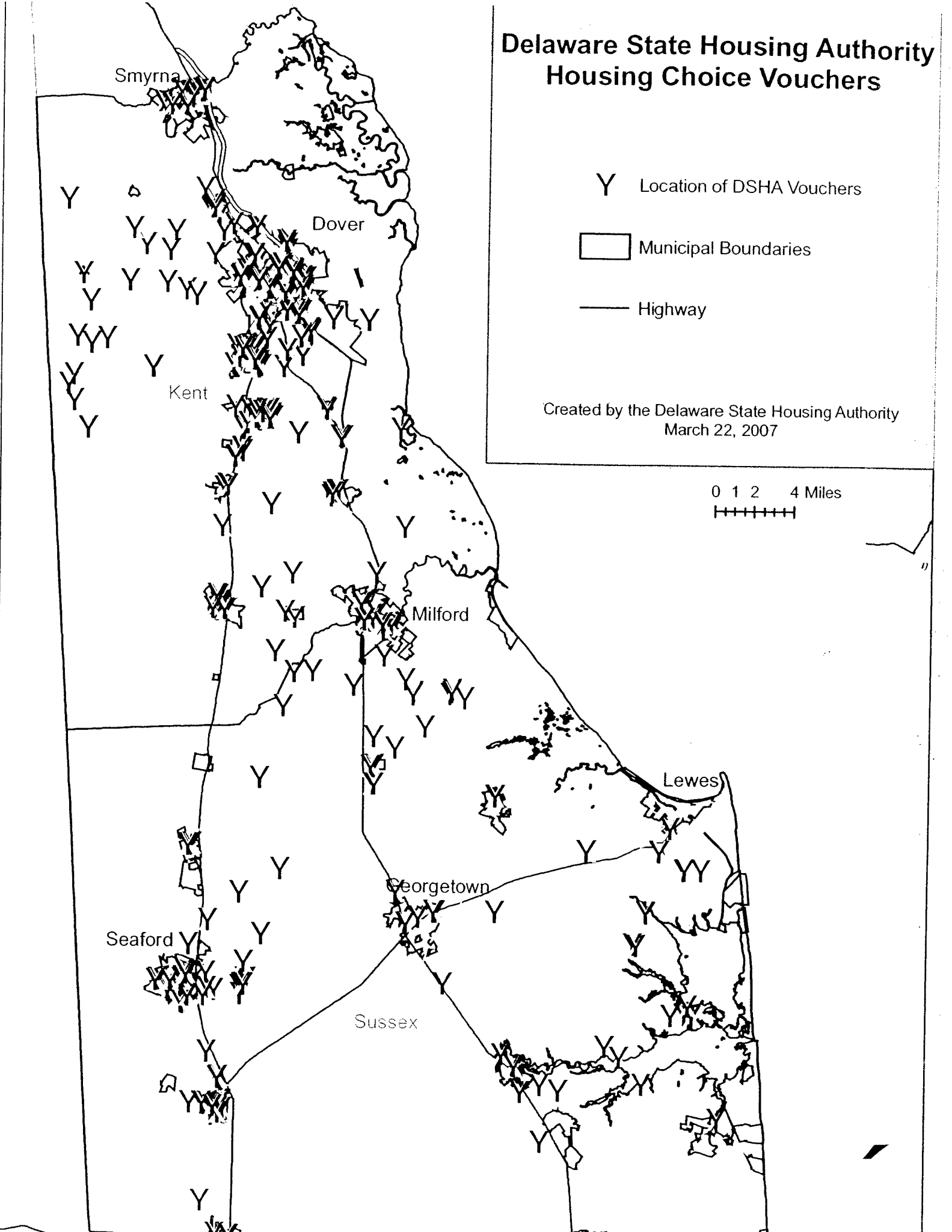
Milford

Lewes

Georgetown

Seaford

Sussex



Attachment A

General Order

PHA Certification of Compliance with MTW Plan Requirements

GENERAL ORDER NO. 487

**GENERAL ORDER ADOPTING
THE MOVING TO WORK ANNUAL
PLAN FOR FY08**

WHEREAS, the Delaware State Housing Authority entered into a Moving to Work Demonstration Agreement with HUD; and

WHEREAS, the Moving to Work Demonstration Agreement requires that the Delaware State Housing Authority submit an Annual Plan; and

WHEREAS, the Moving to Work Demonstration Agreement requires certification that a public hearing was held regarding the Moving to Work Plan; and

WHEREAS, the Annual Plan shall describe the activities and sources and uses of funding that Delaware State Housing Authority is undertaking through the Moving to Work Demonstration.

NOW THEREFORE, BE IT ORDERED as follows:

1. The director has reviewed and approved the Moving to Work Annual Plan for FY08.
2. The Delaware State Housing Authority certifies that it held public hearings regarding the FY08 Moving to Work Annual Plan.

DELAWARE STATE HOUSING AUTHORITY

4/25/07
Date

BY: 
Sandra R. Johnson, Director

PHA Certifications of Compliance with MTW Plan Requirements
and Related Regulations
Board Resolution to Accompany the MTW Plan

Note: Items in italics are those required by MTW Agreement

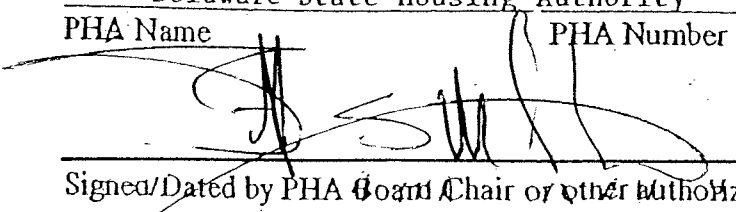
Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners. I approve the submission of the MTW Plan for PHA fiscal year beginning July 1, 2007, hereinafter referred to as the Plan of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. *The PHA held a public hearing regarding the Plan.*
2. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
3. For PHA Plan that includes a policy for site based waiting lists:
 - *The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);*
 - *The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;*
 - *Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;*
 - *The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;*
 - *The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7.*
4. If the Plan includes an annual submission of rent policies to HUD, the PHA certifies that:
 - *The PHA Board approves of this policy and has approved the required analysis of the impact of such policies specified in Article I, Section I of the MTW Agreement and*
 - *The PHA is in compliance with all provisions of that section.*
5. For an MTW Plan that includes a PHDEP Plan as specified in 24 CFR 761.21: The PHDEP Plan is consistent with and conforms to the "Plan Requirements" and "Grantee Performance Requirements" as specified in 24 CFR 761.21 and 761.23 respectively and the PHA will maintain and have available for review/inspection (at all times), records or documentation of the following:
 - Baseline law enforcement services for public housing developments assisted under the PHDEP plan;
 - Consortium agreement/s between the PHAs participating in the consortium and a copy of the payment agreement between the consortium and HUD (applicable only to PHAs participating in a consortium as specified under 24 CFR 761.15);
 - Partnership agreements (indicating specific leveraged support) with agencies/organizations providing funding, services or other in-kind resources for PHDEP-funded activities;
 - Coordination with other law enforcement efforts;
 - Written agreement(s) with local law enforcement agencies (receiving any PHDEP funds); and
 - All crime statistics and other relevant data (including Part I and specified Part II crimes) that establish need for the public housing sites assisted under the PHDEP Plan.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

6. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
7. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
8. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
9. The PHA has submitted with the Plan a certification with regard to a drug free workplace required by CFR Part 24, Subpart F.
10. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide HUD or the responsible entity any documentation that the Department needs to
14. carry out its review under the National Environmental Policy Act and other related authorities. In accordance with 24 CFR Part 58.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
19. *The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and the MTW Agreement executed by the PHA and HUD and will utilize funds made available under the Capital Fund, Operating Fund and Section 8 tenant-based assistance only for activities that are allowable under applicable regulations as modified by the MTW Agreement and included in its Plan.*

Delaware State Housing Authority DE004, DE901
PHA Name _____ PHA Number _____

 4/26/07
Signed/Dated by PHA Board Chair or other authorized PHA official

Attachment B

FY 2008

Capital Fund Program

Annual Statement /Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary									
PHA Name: Delaware State Housing Authority		Grant Type and Number Capital Fund Program Grant No. Replacement Housing Factor Grant No:		DE26-P004-50106		Federal FY of Grant: 2007			
<input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost			Total Actual Cost				
		Original	Revised	Obligated	Expended				
1	Total Non-CFP Funds								
2	1406 Operations	\$0.00							
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00				
4	1410 Administration	\$0.00	\$0.00	\$0.00	\$0.00				
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00				
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00				
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00				
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00				
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00				
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00				
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00				
12	1470 Nondwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00				
13	1475 Nondwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00				
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00				
15	1490 Replacement Reserve	\$0.00	\$0.00	\$0.00	\$0.00				
16	1492 Moving to Work Demonstration	\$747,586.00	\$0.00	\$0.00	\$0.00				
17	1495.1 Relocation Cost	\$0.00	\$0.00	\$0.00	\$0.00				
18	1499 Development Activities	\$0.00	\$0.00	\$0.00	\$0.00				
19	1501 Collateralization or Debt Service	\$0.00	\$0.00	\$0.00	\$0.00				
20	1502 Contingency	\$0.00	\$0.00	\$0.00	\$0.00				
21	Amount of Annual Grant: (sum of lines 2-20)	\$747,586.00	\$0.00	\$0.00	\$0.00				
22	Amount of line 21 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00				
23	Amount of line 21 Related to Section 504 Compliance	\$0.00	\$0.00	\$0.00	\$0.00				
24	Amount of line 21 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00				
25	Amount of line 21 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00				
26	Amount of line 21 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00				

Annual Statement /Performance and Evaluation Report

Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)

Part II: Supporting Pages

PHA Name:		Grant Type and Number Capital Fund Program Grant No. DE26-P004-50106 Replacement Housing Factor Grant No:		Federal FY of Grant: 2007		Status of Work	
Delaware State Housing Authority							
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost	
				Original	Revised	Funds Obligated	Funds Expended
HA-Wide Mgmt. Improvmts	3) Item 3	1408 " "	Total 1408	\$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
HA-Wide Admin	Funding for PHA Staff @ 10% of the annual grant amount in accordance with approved salary allocation plan	1410		\$0.00	\$0.00	\$0.00	\$0.00
HA-Wide Fees and Costs	A & E services @ 7% of the annual grant amount, based on actual scope of design work	1430		\$0.00	\$0.00	\$0.00	\$0.00
HA-Wide	Nonroutine vacancy prep.	1460		\$0.00	\$0.00	\$0.00	\$0.00
"	Nonroutine PM repairs	1460		\$0.00	\$0.00	\$0.00	\$0.00
"	Appliances	1465		\$0.00	\$0.00	\$0.00	\$0.00
"	Vehicle replacement	1475		\$0.00	\$0.00	\$0.00	\$0.00
"	Demolition (specify location[s])	1485		\$0.00	\$0.00	\$0.00	\$0.00
"	Moving to Work Demonstration	1492		\$747,586.00	\$0.00	\$0.00	\$0.00
"	Relocation expenses	1495.1		\$0.00	\$0.00	\$0.00	\$0.00

Annual Statement / Performance and Evaluation Report
Comprehensive Grant Program (CGP) **Part I: Summary**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(exp. 11/30/2008)

HA Name Delaware State Housing Authority

☒ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number _____
☐ Performance and Evaluation Report for Program Year Ending _____ ☐ Final Performance and Evaluation Report

Comprehensive Grant Number DE26-P004-50107 FFY of Grant Approval 2007

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost ²	
		Original	Revised ¹	Obligated	Expended
1	Total Non-CGP Funds				
2	1406 Operations (May not exceed 10% of line 20)				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Non-expendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	747,586.00			
17	1495.1 Relocation Costs				
18	1498 Mod Used for Development				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant (Sum of lines 2-19)	747,586.00			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security				
24	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director [Signature] Date 4/25/07

Signature of Public Housing Director [Signature] Date 4/25/07

Page ___ of ___ Previous edition is obsolete

form HUD-52837 (9/98)
ref Handbook 7485.3

Attachment C

FY 2008

Public Housing

Budget Forms

**Operating Fund
Calculation of Utilities Expense Level
PHA-Owned Rental Housing**

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp. 10/31/2008)

Public Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. This information is required by Section 9(a) of the U.S. Housing Act of 1937, as amended, and by 24 CFR Part 990 HUD regulations. HUD makes payments for the operation and maintenance of low-income housing projects to PHAs. The Operating Fund determines the amount of operating subsidy to be paid to PHAs. PHAs provide information on the Project Expense Level (PEL), Utilities Expense Level (UEL), Other Formula Expenses (Add-Ons) and Formula Income - the major Operating Fund components. HUD reviews the information to determine each PHA's Formula Amount and the funds to be obligated for the period to each PHA based on the appropriation by Congress. HUD also uses the information as the basis for requesting annual appropriations from Congress. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

Section 1 - General Information

1. Name of Public Housing Agency: Delaware State Housing Authority 18 The Green Dover, DE 19901		2. Funding Period: 1/1/ 02 to 12/31/ 02		3. Type of Submission: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No. _____		4. Unit Change Indicator: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Frozen Rolling Base: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		6. Rate Reduction Incentive: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. ACC Number: P-4520		8. Operating Fund Project Number: D E 0 0 4 0 0 2 0 7 D		9. Fiscal Year End: <input type="checkbox"/> 12/31 <input type="checkbox"/> 3/31 <input checked="" type="checkbox"/> 6/30 <input type="checkbox"/> 9/30		10. ROFO Code (HUD Use Only):		11. DUNS Number: 06-118-6909			

Line No.	Description	Sewerage and Water	Electricity	Gas	Fuel (Specify Type, e.g., oil, coal, wood)				Total	
A	B	C	D	E	Common/Area			Propane		
					Lighting			G	H	I
					Section 2 - Current Consumption Level					

01	Actual consumption (12-month period 7/1/ 05 to 6/30/ 06.)													
01a	Unit of consumption (e.g., gallons, kWh, therms)													

02	Rolling base year 1-actual consumption (12-month period 7/1/ 00 to 6/30/ 00.)	Flat Rate												
03	Rolling base year 2-actual consumption (12-month period 7/1/ 00 to 6/30/ 00.)	Flat Rate												
04	Rolling base year 3-actual consumption (12-month period 7/1/ 00 to 6/30/ 00.)	Flat Rate												
05	Total Consumption during 3-year rolling base period (Line 02 + Line 03 + Line 04)	Flat Rate												

06	Average rolling base Consumption (Line 05 + 3)	Flat Rate	829,643	19,551	123,499	68,213	
07	Actual consumption for new units	-	8,377	-	123,064	-	
08	Rolling Base Consumption (Line 06 + Line 07)	Flat Rate	838,020	19,551	246,563	68,213	
Section 4 - Base Consumption							
09	Base Consumption (Lesser of Line 01 or Line 08)	252,759	652,719	19,551	246,563	68,213	-
Section 5 - Utility Consumption Incentive							
10	Actual consumption > rolling base (If Line 01 is greater than Line 08, enter the difference as positive; if not enter 0)	-	-	1,470	89,262	17,847	-
11	Actual consumption < rolling base (If Line 01 is less than Line 08, enter the difference as positive; if not enter 0)	-	185,301	-	-	-	-
12	75%/25% Split (Line 10 x 0.25)	-	-	368	22,316	4,462	-
13	75%/25% Split (Line 11 x 0.75)	-	138,976	-	-	-	-
Section 6 - Payable Consumption							
14	Annualization of consumption for new units	-	-	-	-	-	-
15	Payable consumption (Sum of Line 09, Line 12, Line 13 and Line 14)	252,759	791,695	19,919	268,879	72,675	-
Section 7 - Actual Utility Costs and Average Rate							
16	Actual utility costs (12-month period 7/1/ 05 to 6/30/ 06)	\$ 252,759	\$ 83,333	\$ 40,076	\$ 42,272	\$ 4,482	
17	Actual average utility rate (Line 16 + Line 01)	Flat Rate	0.1277	1.9065	0.1259	0.0521	-
Section 8 - Base Utilities and Inflation/Deflation Factor							
18	Base utilities expense level - whole dollars (Line 15 x Line 17)	\$ 252,759	\$ 101,099	\$ 37,976	\$ 33,852	\$ 3,786	\$ 429,472
19	Surcharges for excess consumption of PHA-supplied utilities (12-month period 7/1/ 05 to 6/30/ 06) - whole dollars						

[illegible]

**Operating Fund
Calculation of Operating Subsidy**
PHA-Owned Rental Housing

**U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing**

OMB Approval No. 2577-0029 (exp. 10/31/2008)

Public Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required by Section 9(a) of the U.S. Housing Act of 1937, as amended, and by 24 CFR Part 990 HUD regulations. HUD makes payments for the operation and maintenance of low-income housing projects to PHAs. The Operating Fund determines the amount of operating subsidy to be paid to PHAs. PHAs provide information on the Project Expense Level (PEL), Utilities Expense Level (UEL), Other Formula Expenses (Add-ons) and Formula Income – the major Operating Fund components. HUD reviews the information to determine each PHA's Formula Amount and the funds to be obligated for the Funding Period to each PHA based on the appropriation by Congress. HUD also uses the information as the basis for requesting annual appropriations from Congress. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

Section 1

1. Name and Address of Public Housing Agency:		2. Funding Period: 1/1/07 to 12/31/07	
Delaware State Housing Authority 18 The Green Dover, DE 19901		3. Type of Submission: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No.	
4. ACC Number:	5. Fiscal Year End:	6. Operating Fund Project Number:	
P-4520	<input type="checkbox"/> 12/31 <input type="checkbox"/> 3/31 <input checked="" type="checkbox"/> 6/30 <input type="checkbox"/> 9/30	D E 0 0 4 0 0 2 0 7 D	
7. DUNS Number:	HUD Use Only		
611186909	8. ROFO Code:	9. Financial Analyst:	
	0301		

Section 2

Calculation of ACC Units for the 12-month period from July 1 to June 30 that is prior to the first day of the Funding Period:

ACC Units on 7/1/05	+	Units Added to ACC	-	Units Deleted from ACC	=	ACC Units on 6/30/06
518						518

Line No.	Category	Column A Unit Months	Column B Eligible Unit Months (EUMs)	Column C Resident Participation Unit Months
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Categorization of Unit Months:**Occupied Unit Months**

01	Occupied dwelling units – by public housing eligible family under lease	6,216	6,216	
02	Occupied dwelling units – by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing			
03	New units – eligible to receive subsidy during the funding period but not included on Lines 01, 02, or 05-13 of this section			
04	New units – eligible to receive subsidy from 10/1 to 12/31 of previous funding period but not included on previous Calculation of Operating Subsidy			

Vacant Unit Months

05	Units undergoing modernization			
06	Special use units			
06a	Units on Line 02 that are occupied by police officers and that also qualify as special use units			
07	Units vacant due to litigation			
08	Units vacant due to disasters			
09	Units vacant due to casualty losses			
10	Units vacant due to changing market conditions			
11	Units vacant and not categorized above			
12	Units eligible for asset repositioning fee and still on ACC (occupied or vacant)			
13	All other ACC units not categorized above			

Operating Fund Project Number:			
D E 0 0 4 0 0 2 0 7 D			
Calculations Based on Unit Months:			
14	Limited vacancies		
15	Total Unit Months	6,216	6,216
16	Units eligible for funding for resident participation activities (Line 15C divided by 12)		
Special Provision for Calculation of Utilities Expense Level:			
17	Unit months for which actual consumption is included on Line 01 of form HUD-52722 and that were removed from Lines 01 through 11, above, because of removal from inventory, including eligibility for the asset repositioning fee		
Section 3			
Line No.	Description	Requested by PHA	HUD Modifications
Part A. Formula Expenses			
Project Expense Level (PEL)			
01	PUM project expense level (PEL) (298.70 X 1.005-See Remarks)	300.20	
02	Inflation factor	1.039	
03	PUM inflated PEL (Part A, Line 01 times Line 02)	311.91	
04	PEL (Part A, Line 03 times Section 2, Line 15, Column B)	1,938,833	
Utilities Expense Level (UEL)			
05	PUM utilities expense level (UEL) (from Line 26 of form HUD-52722)	77.35	
06	UEL (Part A, Line 05 times Section 2, Line 15, Column B)	480,808	
Add-Ons			
07	Self-sufficiency		
08	Energy loan amortization		
09	Payment in lieu of taxes (PILOT)		
10	Cost of independent audit		
11	Funding for resident participation activities		
12	Asset management fee		
13	Information technology fee		
14	Asset repositioning fee		
15	Costs attributable to changes in federal law, regulation, or economy		
16	Total Add-Ons (Sum of Part A, Lines 07 through 15)		
17	Total Formula Expenses (Part A, Line 04 plus Line 06 plus Line 16)	2,419,641	
Part B. Formula Income			
01	PUM formula income		
02	PUM change in utility allowances		
03	PUM adjusted formula income (Sum of Part B, Lines 01 and 02)		
04	Total Formula Income (Part B, Line 03 times Section 2, Line 15, Column B)		
Part C. Other Formula Provisions			
01	Moving-to-Work (MTW)		
02	Transition funding		
03	Other		
04	Total Other Formula Provisions (Sum of Part C, Lines 01 through 03)		
Part D. Calculation of Formula Amount			
01	Formula calculation (Part A, Line 17 minus Part B, Line 04 plus Part C, Line 04)	2,419,641	
02	Cost of independent audit (same as Part A, Line 10)		
03	Formula amount (greater of Part D, Lines 01 or 02)		
Part E. Calculation of Operating Subsidy (HUD Use Only)			
01	Formula amount (same as Part D, Line 03)		
02	Adjustment due to availability of funds		
03	HUD discretionary adjustments		
04	Funds Obligated for Period (Part E, Line 01 minus Line 02 minus Line 03) Appropriation symbol(s):		

Section 4

Remarks (provide section, part and line numbers):

Part A, line 01 - Per 24 CFR 990.165 (f) MTW Agencies shall receive operating subsidy as provided in Attachment A of their MTW Agreements so line 08 from the prior year HUD-52723 in the amount of \$298.70 is multiplied by 1.005 and then multiplied by the provided inflation factor of 1.039 to get the PUM Inflated PEL of \$311.91. Please see the attached documentation.

Section 5

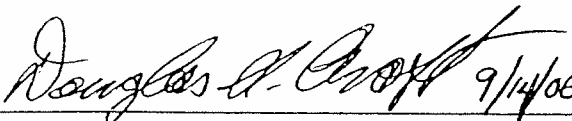
Certifications

- ☒ In accordance with 24 CFR 990.215, I hereby certify that Delaware State Housing Authority is in compliance with the annual income reexamination requirements and that rents and utility allowance calculations have been or will be adjusted in accordance with current HUD requirements and regulations.
- ☐ In accordance with 24 CFR 990.190(f), I hereby certify that Delaware State Housing Authority has fewer than 250 units and has elected to transition to asset management and therefore is eligible to receive an asset management fee.
- ☒ I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized PHA Representative & Date:

Signature of Authorized HUD Representative & Date:

X  9/14/06

X

Assistant Director, Financial Management
9-14-06

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED 09/14/06	Applicant Identifier DE00400207D
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: Delaware State Housing Authority		Organizational Unit: Department:	
Organizational DUNS: 611186909		Division:	
Address: Street: 18 The Green		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Mr. First Name: Douglas	
City: Dover		Middle Name S.	
County: Kent		Last Name Croft	
State: Delaware	Zip Code 19901	Suffix:	
Country: USA		Email: Doug@destatehousing.com	

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
51-0116653

Phone Number (give area code) (302) 739-4263	Fax Number (give area code) (302) 739-2086
---	---

8. TYPE OF APPLICATION:
☐ New ☒ Continuation ☐ Revision
 If Revision, enter appropriate letter(s) in box(es)
 (See back of form for description of letters.)
 Other (specify)

7. TYPE OF APPLICANT: (See back of form for Application Types)
 State
 Other (specify)

9. NAME OF FEDERAL AGENCY:
 Dept. of Housing & Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
 TITLE (Name of Program):
 14-850

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
 Public Housing Subsidy

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
 Kent and Sussex Counties of Delaware

13. PROPOSED PROJECT
 Start Date: 01/01/2007 Ending Date: 12/31/07

14. CONGRESSIONAL DISTRICTS OF:
 a. Applicant b. Project

15. ESTIMATED FUNDING: a. Federal \$ 2,419,641 b. Applicant \$ c. State \$ d. Local \$ e. Other \$ f. Program Income \$ g. TOTAL \$ 2,419,641	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
---	---

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
☐ Yes If "Yes" attach an explanation. ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix Mr.	First Name Douglas	Middle Name S.
Last Name Croft		Suffix
b. Title Assistant Director, Financial Management		c. Telephone Number (give area code) (302) 739-4263
d. Signature of Authorized Representative <i>Douglas A. Croft</i>		e. Date Signed 09/14/06

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Delaware State Housing Authority
18 The Green, Dover, DE 19901

Program/Activity Receiving Federal Grant Funding

Operating Subsidy

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

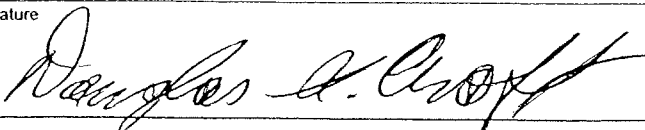
Name of Authorized Official

Douglas S. Croft

Title

Assistant Director, Financial Management

Signature



Date (mm/dd/yyyy)

09/14/06

Attachment D

Summary of Public Comments

SUMMARY OF COMMENTS
FOR DELAWARE STATE HOUSING AUTHORITY'S
MOVING TO WORK FY2008 ANNUAL PLAN
PUBLIC HEARING AT LIBERTY COURT
APRIL 17, 2007

The hearing convened at 6:30 p.m. with Christopher A. Whaley, Housing Management Program Administrator, presiding. He started by explaining that the purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the FY2008 Moving To Work Annual Plan before it is submitted to the U. S. Department of Housing and Urban Development (HUD) for final approval.

Mr. Whaley highlighted the changes made to FY 2007's MTW Annual Plan for FY2008.

The first change on page 4, Item 1.1. **HUD did a review of the plan in 2006 and decided that the families served needed to be revised. They asked that we reduce the goal to keep it more realistic.** An addition to the paragraph was added, **"Due to the cycle of the waiting list and preferences, DSHA now plans to serve up to 550 families in the program. During the last 18 to 24 months, there has been an increase in the number of MTW exempt families, elderly and disabled, especially in the Housing Choice Voucher Program."**

HUD also wanted us to expand the definition of MTW Success. Not just successes such as graduating the MTW program or exceeding 40% of income, but they also wanted DSHA to mention unforeseen benefits such as enhancing their lives by overcoming barriers such as obtaining drivers a license, purchasing vehicles, coordinating child care, getting a start into the work force. With that being said, we added two paragraphs, on page 4, Item 1.1, 1., g. and h. **"g. Enhance the quality of life and standard of living for residents participating in MTW by assisting residents in the removal to barriers to self-sufficiency (obtain drivers license, purchase vehicle, coordinate child care). h. Increase earned income of participating families enabling them to pay more towards their rent and requiring less subsidy, especially in cases where the family may not meet full self-sufficiency goals (re: Safety Net Families)"**

Mr. Whaley also noted that, on page #6 item 15 at last years hearing it was suggested that we needed to adjust the minimum working hours under the program because TANF had also increased their working hours from 20 to 30 hours. It would be a better idea for people coming into the program after July 1, 2007 to have a gradual increase in their hours throughout their 5 years on the MTW program. Therefore, the following information was added to #15. **"DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements will be increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.)"**

He also explained that, last year it was suggested that the TANF preference in the Annual Plan be removed because under the current process, there are participants that did not have any income upon entry and they had to automatically go out and find a job in 30 days. Therefore, we added item #3.1.b. on page 13. **"Applicants who are employed are given a preference for available assistance, and equal preference is given to elderly and disabled applicants."**

Mr. Whaley also advised that page 13, item #3.1.e was added to provide additional ways to apply for housing. **“Applicants can apply for housing on-line via DSHA’s E-Housing internet website. This is in addition to the traditional forms of applying for housing (in person, via facsimile or through the mail).”**

This summed up the major changes to the program for FY2008. Mr. Whaley asked the audience if there were any questions or comments.

Ms. Gina Miserendino of the Delaware Housing Coalition commented that she thought that a few years ago the MTW Program was going to be separated from TANF.

Mr. Whaley explained that everything under the MTW Program is under the same umbrella. We do not have any separate waiting list for those under TANF.

Someone asked if the work hours also included school.

Mr. Whaley said a “yes” a combination of school and employment is acceptable. Mr. Whaley also reiterated that the change in hours would only affect participants coming into the program after July 1, 2007. Mr. Whaley referred to page #6 item 15: “DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements will be increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.)” TANF’s requirements are 30 hours per week and DSHA thought that it was too much of an increase for people moving in after July 1, 2007.

Someone asked what happens to people that fail to succeed with the MTW Program?

Mr. Whaley explained that they go into the Safety Net. Upon going into the Safety Net, when their a participant in the MTW program, once they get to a certain earning potential they are charged 35% of their adjusted gross income towards rent. Then a certain portion of that goes into a savings account. At the end of 5 years, if the person isn’t at a point where they are considered a successful graduate of the MTW program, they can elect to go into the safety net. At that point, their subsidy is based on 30% of their Adjusted Gross Income. Whatever savings that was placed in their savings account goes back to the housing authority.

Someone asked why the money goes back into the savings account.

Mr. Whaley explained that the savings is deferred rent. Instead of them paying more rent, that portion goes into a savings account and if they successfully graduate the program they can use that money to move out into unsubsidized housing, or a down payment on a new home, for security deposit to move into an unsubsidized apartment. Mr. Whaley also explained that people can remain in safety net forever if they choose. We do not kick anyone out of housing. After someone enters Safety Net, it is their choice if they want to continue to be case managed.

Gina Miserendino/Delaware Housing Coalition (DHC) asked to read some notes of concerns and highlight recognized improvements in the MTW program. **Please see attached. Also see attached response to specific questions from DHC.**

Mr. Whaley addressed comments from Ms. Miserendino about DSHA working with the residents and advocate agencies more closely in the preparation of the MTW Plan. Mr. Whaley advised that during last years MTW Plan hearing, the State Wide Association of Tenants (SWAT) requested to be included in the preparation of future MTW Plans. But after repeated calls to SWAT and written communications requesting their involvement, the FY2008 Plan was developed without any interest or input from SWAT.

Someone asked how DSHA gets the tenant councils involved in the creation of the MTW Annual Plan each year.

Mr. Whaley let DHC know that we post the advertisement for the Public Hearings at all of our sites. We place a draft copy of the plan at every site. We advertise it in numerous papers well ahead of time for people to know when the hearings are. DHC would like us to verbally contact all the residents. Mr. Whaley explained that SWAT wanted to represent their residents and we were giving them that opportunity. DHC wanted us to go directly to the Tenant Councils. DHC believes the people we deal with aren't the type of people that scan the local news paper for Public Hearings. DHC would like to see us make phone calls to the residents to notify them of the hearings. Mr. Whaley said he would take that under advisement.

There were no further questions or comments regarding the Plan.

Mr. Whaley reminded attendees that another hearing would be held tomorrow night at Burton Village in Rehoboth Beach and welcomed any additional comments concerning the Plan.

There were no further questions or comments, and the hearing was adjourned at 7:40 p.m.

**SUMMARY OF COMMENTS
FOR DELAWARE STATE HOUSING AUTHORITY'S
MOVING TO WORK FY2008 ANNUAL PLAN
PUBLIC HEARING AT BURTON VILLAGE
APRIL 18, 2007**

The hearing convened at 6:30 p.m. with Christopher A. Whaley, Housing Management Program Administrator, presiding. He started by explaining that the purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the FY2008 Moving To Work Annual Plan before it is submitted to the U. S. Department of Housing and Urban Development (HUD) for final approval.

Mr. Whaley highlighted the changes made to FY 2007's MTW Annual Plan for FY2008.

Please see April 17, 2007 notes for changes.

Eleanor Kiesel/CLAS1 asked some clarification on the Safety Net program. How does someone enter the safety net?

Mr. Whaley responded by letting her know that the disabled or elderly are automatically exempt from the MTW program. If a person comes in and they are put in the MTW program, at the end of five years the case manager does a simple calculation, they figure out what their annual income is, they figure out what the contract rent costs for the unit that they are living in, and if 40% of their income is at or greater then their contract rent, that has been the standard for success. If they are not considered a success, at this time they are offered the Safety Net. Once on the safety net, there is no time limitation.

Ms. Kiesel asked that if a participant goes into the safety net program and something happens to their job. What happens then?

Mr. Whaley explained that they are fully assisted. Their rent is based on 30% of their adjusted gross income.

Ms. Kiesel also asked that if you graduate the MTW program and are self-sufficient and something happens such as losing their job. Then what happens.

Mr. Whaley explained that they have graduated from DSHA and are no longer part of subsidized housing, therefore, they start over. They can apply for housing and be put on the waiting list. Mr. Whaley also said DSHA can not displace someone else on the waiting list.

There were no further questions or comments regarding the Plan.

Mr. Whaley welcomed any additional comments concerning the Plan and provided DSHA's phone number and fax number.

There were no further questions or comments, and the hearing was adjourned at 6:49 p.m.



Delaware Housing Coalition

P.O. Box 1633 • Dover, DE 19903-1633

(302) 678-2286 • FAX (302) 678-8645

www.housingforall.org

MOVING TO WORK DRAFT PLAN FY 2008 DELAWARE HOUSING COALITION COMMENTS APRIL 20, 2007

The Delaware Housing Coalition (DHC) is pleased to submit comments and participate in the public hearing process. We respect DSHA's efforts to try to improve its own internal operations and the housing opportunities for persons of low income in our communities.

We would like to compliment DSHA on the implementation of *ehousing*. We also support the maintenance of traditional advertising and outreach efforts for those not technically literate, or who do not have ready access to computers.

We are also pleased to see the addition of 42 new landlords for the housing choice voucher program.

We commend DSHA for placing ceiling rents on updated rent assessments.

Constituent Communication

While we are grateful for the opportunity to participate in the process as created by DSHA, DHC reiterates its view that an official, interactive process emphasizing ongoing communication with, and serious consideration of, tenants' and the community's perspectives would enhance significantly and legitimate this program as well as the overall operation of DSHA. This is especially important if this program is going to transition from a pilot to a permanent status.

Case Management

We reiterate our concerns about the standards and professional qualifications required for the case management component. Case management is integral to the proper working of the MTW program in Delaware. Individuals in these positions shoulder tremendous responsibility. DHC has yet to achieve clarity on what the minimum qualifications and real duties for this job are. This is of great concern due to the multifaceted, multidisciplinary aspects to this position as we understand it.

We have witnessed very high client-to-worker ratios, considerable staff turnover, different standards at different sites, and many indications that this position is more enforcement than guidance. This is especially so with regard to the issuing of strikes.

As the Delaware MTW program evolves from the pilot project into a more long-term program, and in consideration of implementation of the safety net, there is opportunity to focus on an improved role of the case manager.

- ❖ DHC recommends a thorough review, in collaboration with the School of Social Work at Delaware State University, of the academic and experiential requirements that persons filling the case worker role must bring to the job.
- ❖ Guidance from DSU SSW should also include program design, ongoing review and supervision, and case management evaluation.

Evaluation

What formal evaluation of Delaware's MTW was submitted as part of the request for long-term continuation and for permanent status? What formal evaluation is ongoing?

Similar major HUD programs such as *Moving To Opportunity* have benefited from thorough research. In fact interim findings strongly confirm the necessity of such professional evaluation.

Safety Net Policy and Procedures

DHC was pleased to have been included in those contributing ideas to the initial planning of the Safety Net Program in 2002. However we have never received a final version of the Safety Net policy, nor its procedures. DHC is pleased to see the identification of a safety net. However we request several points of clarification regarding its implementation:

- ❖ In the draft plan it is stated that if a family has not been able to achieve a designated earned income level they will be transferred to the Safety Net status.
 - When does this occur?
 - How is the process triggered? Does the tenant family have to request a transfer to Safety Net status?
 - Why are tenants required to forfeit their savings account?
 - With 85 percent of tenants qualifying for the safety net why does time limiting housing assistance remain a goal?
 - Has the safety net been activated for current residents? How many are now in the safety net?

Employment Issues

- ❖ The following wage- and labor-related information has become available in recent months. Does DSHA have an ongoing mechanism to review this type of information in order to modify MTW policy? We include some important examples of this below:
 - The housing wage for
 - Kent County is \$13.63 / hour; the FMR for a two-bedroom apartment is \$709; it takes two year-round full-time workers at Delaware's minimum wage to afford this FMR apartment.
 - Sussex County is \$12.71/ hour; the FMR two-bedroom apartment is \$661/month; likewise, it takes 1.95 full time equivalent jobs in order to afford this FMR apartment.
 - The Delaware Department of Labor's "Beyond Wages Delaware Job Benefits", 2006 states: "There has been a clear decline in benefits offered by Delaware employers since 2001."
 - The Department of Labor, Division of Labor Statistics cites that "much of the job growth [in Sussex County] between 2003 and 2005 has been in low-wage industries." For example in Sussex County the two fastest growing jobs areas are in *Leisure and Hospitality* and *Wholesale & Retail Trade*. The average annual wage for these industries is \$15,000 and \$25,000/year. This represents 27% and 49% respectively of the AMI in Sussex County.

Voucher Portability

DHC again voices its strong concern about the inherent conflict between the two major, ostensible goals of the MTW program 1) administrative ease and 2) family economic self-sufficiency.

We urge the reconsideration of the program prohibition for working residents only against porting their vouchers to a different jurisdiction. Combined with the high percentage of residents eligible for the safety net, it makes "moving to work" seem a misnomer. We believe, especially if a family has access to a better paying job and or one with more substantial benefits, that they should be allowed to port to that area, for their own best interests.

Thank you.

Gina Miserendino

On behalf of the Board, Staff, and Membership of DHC.

MOVING TO WORK DRAFT PLAN FY 2008
DELAWARE HOUSING COALITION COMMENTS
AND
DELAWARE STATE HOUSING AUTHORITY RESPONSES
April 23, 2007

Constituent Communication

While we are grateful for the opportunity to participate in the process as created by DSHA, DHC reiterates its view that an official, interactive process emphasizing ongoing communication with, and serious consideration of, tenants' and the community's perspectives would enhance significantly and legitimate this program as well as the overall operation of DHSA. This is especially important if this program is going to transition from a pilot to a permanent status.

RESPONSE:

DSHA has worked diligently to establish an ongoing relationship with tenant advocacy organizations and individual site based tenant groups. The Statewide Association of Tenants (SWAT) indicated an interest in meeting with us prior to drafting the plan for 2008, however, multiple attempts to contact them were unsuccessful. The MTW case managers verbally informed participants of the meeting dates and invited input over the last several weeks, however, we have not received any comments at this time. In addition to posting notices of the meeting in the Community Buildings and laundry rooms at all Public Housing sites, the meetings were advertised in newspapers through-out Kent and Sussex Counties. We will continue to look for ways to encourage resident participation and welcome all suggestions to this end.

Case Management

We reiterate our concerns about the standards and professional qualifications required for the case management component. Case management is integral to the proper working of the MTW program in Delaware. Individuals in these positions shoulder tremendous responsibility. DHC has yet to achieve clarity on what the minimum qualifications and real duties for this job are. This is of great concern due to the multifaceted, multidisciplinary aspects to this position as we understand it.

We have witnessed very high client-to-worker ratios, considerable staff turnover, different standards at different sites, and many indications that this position is more enforcement than guidance. This is especially so with regard to the issuing of strikes.

As the Delaware MTW program evolves from the pilot project into a more long-term program, and in consideration of implementation of the safety net, there is opportunity to focus on an improved role of the case manager.

- DHC recommends a thorough review, in collaboration with the School of Social Work at Delaware State University, of the academic and experiential requirements that persons filling the case worker role must bring to the job.
- Guidance from DSU SSW should also include program design, ongoing review and supervision, and case management evaluation.

RESPONSE:

The job qualifications for the position of DSHA MTW Social Worker/Case Manager (SW/CM) are identical to the State of Delaware Personnel Office requirements. The Essential Functions and Job Requirements clearly indicate the qualifications and duties of the position and may be reviewed online at www.delaware.gov through the State Personnel web-site. DSHA stands by the qualifications and quality of the MTW Case Management Staff.

In reference to the issuance of Strikes, the Social Worker/Case Managers request far fewer Strikes than they could, in favor of consistently going the extra mile with all residents to prevent the issuance of a Strike. All case managers request Strikes as a last resort, after every attempt has been made to help the client get into compliance with the requirements. Additionally, all participants have access to a hearing process for any Strike received. To date only 71 Third Strikes issued since the inception of the MTW program, out of 1,804 total participants. This includes 935 Public Housing and 869 Housing Choice Voucher (HCV) participants. Based on these numbers, less than 4% of all MTW participants that have been removed from the program for receiving 3 Strikes.

Concerning comments about high client-to-worker ratios and considerable staff turnover, the actual case management workload is well within the industry standard of 30 to 1 and there has been very little staff turnover. The HCV case managers have 23 to 29 cases each and the Public Housing (PH) SW/CMs have less than 35 at each site. The PH staff are able to handle a slightly higher case load than the HCV because all of the clients are at one location. There is sufficient time and resources to allow staff to spend quality time with each participant. Additionally, the standards and requirements for participants is consistent between all sites. In addition, all Social Workers/Case Managers meet regularly to discuss and share MTW issues and questions. DSHA has not been contacted regarding any specific incidences of any of these DHC concerns, therefore, are unable to respond any further.

Evaluation

What formal evaluation of Delaware's MTW was submitted as part of the request for long-term continuation and for permanent status? What formal evaluation is ongoing?
Similar major HUD programs such as *Moving To Opportunity* have benefited from thorough research. In fact interim findings strongly confirm the necessity of such professional evaluation.

RESPONSE:

DSHA is evaluated annually by Abt. Associates, a consulting firm contracted by HUD to work with all MTW agencies. As we shared at the Public Hearing, DSHA is actively working with the Federal HUD office and other MTW Agencies to develop a plan that can evaluate common aspects of all of the programs. Since the programs are all different to some degree, it is very difficult to use one instrument for all programs. We will continue with our efforts toward that goal.

Safety Net Policy and Procedures

DHC was pleased to have been included in those contributing ideas to the initial planning of the Safety Net Program in 2002. However we have never received a final version of the Safety Net policy, nor its procedures. DHC is pleased to see the identification of a safety net. However we request several points of clarification regarding its implementation:

- ⊞ In the draft plan it is stated that if a family has not been able to achieve a designated earned income level they will be transferred to the Safety Net status.
 - When does this occur?
 - How is the process triggered? Does the tenant family have to request a transfer to Safety Net status?
 - Why are tenants required to forfeit their savings account?
 - With 85 percent of tenants qualifying for the safety net why does time limiting housing assistance remain a goal?
 - Has the safety net been activated for current residents? How many are now in the safety net?

RESPONSE:

- *Residents are eligible for the Safety Net at the end of the 5 year participation in MTW if their income is under the Fair Market Rent for their unit, and they are in compliance with MTW and their lease.*
- *The process is triggered when the resident is within 6 months of the end of the 5 year participation. The tenant receives a letter from the Site Manager or Housing Choice Voucher Office, advising them of the upcoming end of the contract and the option of entering the Safety Net.*
- *As is explained throughout participation in MTW, the funds that are deposited into the MTW Savings are rent. When the MTW participant increases earned income, the rent increases. DSHA deposits the increased portion into a savings account that is available to the resident for approved withdrawals for emergencies during the 5 year participation, and the balance is available upon successful completion of the program. For residents that enter the Safety Net, and who will continue receiving housing subsidy indefinitely, any funds in the savings account go back into the DSHA rent account. The funds were always rent, and must be recaptured to continue providing subsidy.*
- *Time limiting housing remains a goal so that the families that are able to successfully complete the program and move into Fair Market housing leave and allow a family from our waiting list to have the opportunity to participate in MTW, or if exempt, to have subsidized housing. DSHA faces serious budget concerns and must continue to look for ways to provide services. Time limits are one way of addressing this growing, national problem.*
- *The Safety net has been in effect since 2004. There are currently 105 residents in the Safety Net and interestingly, an additional 34 residents that were in the Safety Net have since moved out on their own.*

Employment Issues

- ⊞ The following wage- and labor-related information has become available in recent months. Does DSHA have an ongoing mechanism to review this type of information in order to modify MTW policy? We include some important examples of this below:
 - The housing wage for
 - ♣ Kent County is \$13.63 / hour; the FMR for a two-bedroom apartment is \$709; it takes two year-round full-time workers at Delaware's minimum wage to afford this FMR apartment.
 - ♣ Sussex County is \$12.71/ hour; the FMR two-bedroom apartment is \$661/month; likewise, it takes 1.95 full time equivalent jobs in order to afford this FMR apartment.
 - The Delaware Department of Labor's "Beyond Wages Delaware Job Benefits", 2006 states: "There has been a clear decline in benefits offered by Delaware employers since 2001."
 - The Department of Labor, Division of Labor Statistics cites that "much of the job growth [in Sussex County] between 2003 and 2005 has been in low-wage industries." For example in Sussex County the two fastest growing jobs areas are in *Leisure and Hospitality* and *Wholesale & Retail Trade*. The average annual wage for these industries is \$15,000 and \$25,000/year. This represents 27% and 49% respectively of the AMI in Sussex County.

RESPONSE:

DSHA thanks DHC for these current statistics. We also follow the Department of Labor statistics and work closely with them and the Delaware Economic Development Office, the Delaware Workforce Investment Board and others to assist our residents work toward the most beneficial employment for the individual.

Voucher Portability

DHC again voices its strong concern about the inherent conflict between the two major, ostensible goals of the MTW program 1) administrative ease and 2) family economic self-sufficiency. We urge the reconsideration of the program prohibition for working residents only against porting their vouchers to a different jurisdiction. Combined with the high percentage of residents eligible for the safety net, it makes "moving to work" seem a misnomer. We believe, especially if a family has access to a better paying job and or one with more substantial benefits, that they should be allowed to port to that area, for their own best interests.

RESPONSE:

DSHA has always approved Voucher Portability with proof of employment, school or medical need for a family member.